

**KEY HEADLINES:**

The Indian rupee spot against the US dollar ended sharply higher on Wednesday, up almost 0.90% on day to test 2025 high, highest since Nov end and up more than 1.2% in April, thanks to inflows after rally in equity market, fall in dollar index and despite geopolitical tension between neighbor country added by central bank rate cut.

The rupee at NSE Future 28 May-25. ended higher by 73 paise at 84.68 against previous close of 85.41 and after make low of 84.63 and high of 85.40.

The currency rose 1.2% on the month, its second consecutive monthly rise, which helped extend a sharp reversal in the rupee's fortunes after it plumbed to an all-time low of 87.95 in February. Other side, the jitters have also pushed up the rupee's 1-month implied volatility to 5.5%, its highest since March 2023. Broad weakness in the dollar - on the back of concerns about a spate of trade and other policy changes under U.S. President - helped the rupee after it rallied more than 2% in March. The dollar index, meanwhile, was nursing losses of nearly 4.5% on the month, its third consecutive monthly fall. On the month, India's benchmark Nifty 50 equity index was up 3.5% while the benchmark 10-year bond yield fell 22 basis points.

The U.S. economy contracted for the first time in three years in the first quarter, swamped by a flood of imports as businesses raced to avoid higher costs from tariffs and underscoring the disruptive nature of President often chaotic trade policy. Gross domestic product decreased at a 0.3% annualized rate last quarter, the first decline since the first quarter of 2022, the Commerce Department's Bureau of Economic Analysis said in its advance estimate of first-quarter GDP. The first-quarter GDP drop followed a 2.4% rise in the fourth quarter. Consumer spending, however, continued to grow, though at a moderate pace. Consumer spending on services - especially health care - grew 2.4% in the first quarter as households remained resilient.

In the 12 months through March, U.S. the Personal Consumption Expenditures (PCE) Price Index, the Fed's preferred inflation gauge, increased 2.3%, down from 2.7% in February. Annual core inflation also eased from the prior month, rising 2.6% after advancing 3.0% in February. On a monthly level, both the headline and core PCE numbers were unchanged from the previous month.

The U.S. dollar continued to bounce back on Thursday on some technical buying after being oversold last month, with investors more optimistic about tariff deals between the

United States and its trading partners. Volume was thinner than usual, as many international markets were closed on Thursday for the May Day holiday.

Against the euro, the yen fell to a four-month low, with the single currency last up 1.4% at 164.29 yen. The euro was on pace for its largest daily rise versus the yen in two months. the euro fell to a three-week trough versus the greenback and was last down 0.4% at \$1.1286 . Sterling also fell 0.4% to \$1.3284

Investors are also awaiting the April U.S. jobs report, due on Friday, where jobs growth is still expected, although at a sharply slower pace than a month earlier.

Markets swung to imply an approximately 55% chance of a Fed cut in May, and futures now point to more than 100 basis points worth of rate cuts by December this year . Investors were previously expecting the Fed to keep rates on hold next month.

**Economic Indicators to be released.**

Indicator	Currency	Forecast	Previous	Impact
Non-Farm Employment Change	USD	133K	228K	HIGH

**Support Resistance Levels – Currency Future: ( NSE CUR - 28 MAY 25)**

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	84.68	84.60	84.0	85.35	85.85	BEARISH
EURINR FUTURE	96.30	96.20	95.50	97.20	98.10	BEARISH
GBPINR FUTURE	113.24	113.20	112.50	114.30	115.20	SIDEWAYS
JPYINR FUTURE	59.28	59.20	58.50	60.10	60.80	SIDEWAYS

## **Technical Research Analyst**

Vibhu Ratandhara

### **Disclosure:**

M/s. Bonanza Portfolio Ltd here by declares that views expressed in this report accurately reflect view point with subject to companies/securities. M/s. Bonanza Portfolio Ltd has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. The Analysts engaged in preparation of this Report or his/her relative: - (a) do not have any financial interests in the subject company mentioned in this Report; (b) do not own 1% or more of the equity securities of the subject company mentioned in the report as of the last day of the month preceding the publication of the research report; (c) do not have any material conflict of interest at the time of publication of the Report. The Analysts engaged in preparation of this Report:- (a) have not received any compensation from the subject company in the past twelve months; (b) have not managed or co-managed public offering of securities for the subject company in the past twelve months; (c) have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (d) have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months; (e) has not received any compensation or other benefits from the subject company or third party in connection with the Report; (f) has not served as an officer, director or employee of the subject company; (g) is not engaged in market making activity for the subject company.

M/s. Bonanza Portfolio Ltd operates under the regulation of SEBI Regn No. INH100001666 and research analyst engaged in preparation of report

### **Disclaimer:**

This research report has been published by M/s. Bonanza portfolio Ltd and is meant solely for use by the recipient and is not for circulation. This document is for information purposes only and information / opinions / views are not meant to serve as a professional investment guide for the readers. Reasonable care has been taken to ensure that information given at the time believed to be fair and correct and opinions

based thereupon are reasonable, due to the nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. If this report is inadvertently sent or has reached to any individual, same may be ignored and brought to the attention of the sender. Preparation of this research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide for future performance. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by Bonanza portfolio Ltd to be reliable. This report should not be taken as the only base for any market transaction; however this data is representation of one of the support document among other market risk criterion. The market participant can have an idea of risk involved to use this information as the only source for any market related activity. The distribution of this report in definite jurisdictions may be restricted by law, and persons in whose custody this report comes, should observe, any such restrictions. The revelation of interest statements integrated in this analysis are provided exclusively to improve & enhance the transparency and should not be treated as endorsement of the views expressed in the analysis. The price and value of the investments referred to in this report and the income from them may go down as well as up. Bonanza portfolio Ltd or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of M/s. Bonanza portfolio Ltd shall be liable. Research report may differ between M/s. Bonanza portfolio Ltd RAs and other companies on account of differences in, personal judgment and difference in time horizons for which recommendations are made. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. Research analyst have not received any compensation/benefits from the Subject Company or third party in connection with the research report

M/s. Bonanza Portfolio Ltd at Bonanza House, Plot No. M-2, Cama Industrial Estate.  
Walbhat Road, Goregaon (E), Mumbai – 400063 Web site:

<https://www.bonanzaonline.com>

SEBI Regn. No.: INZ000212137

BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836

| CDSL: a) 120 33500 |

**Bonanza Research Team5**

NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186