

## **KEY HEADLINES:**

The Indian rupee spot against the US dollar end lower on Tuesday, after swing sharply in intra day trade due to heightening tension between India & neighbor country makes traders cautious on currency trade at time when near dated implied volatility near 2-year high. However, inflows hope after FII net buying in equity and fall in Crude oil prices support rupee at lower level.

The rupee at NSE Future 28 May-25. ended lower by 17 paise at 85.41 against previous close of 85.24 and after make low of 85.16 and high of 85.60. most Asian peers in positive as China's yuan strengthened to a one-month high, while the Malaysian ringgit was up nearly 1%.

The jitters have also pushed up the rupee's 1-month implied volatility to 5.5%, its highest since March 2023.

India Trade tension and geopolitical risks pose a challenge to India's economic growth in the fiscal year that started this month, potentially disrupting supply chains and pushing up prices, a finance ministry report said. "Uncertainties stemming from global developments constitute a key risk for the growth outlook for fiscal year 2025/26," the Ministry of Finance said in its monthly economic report released on Tuesday. The government said in its report that private companies and policymakers must remain alert to the growing risks and "act urgently" to prevent uncertainty from feeding on itself. It added that the federal government's projected path for reducing public debt would help boost the pool of domestic savings available for private investment, thereby supporting the economic growth.

The U.S. dollar drifted higher on Tuesday, lifted by the Trump administration's plan to ease the impact of auto duties on local car manufacturers as well as the prospect of more tariff deals with some trading partners.

The U.S. government said it plans to alleviate some duties placed on foreign parts in domestically manufactured cars and keep tariffs on cars made abroad from stacking on other duties. White House Press Secretary Karoline Leavitt said President Donald Trump will sign an executive order on auto tariffs on Tuesday.

the dollar rose 0.2% against the yen to 142.22. The dollar also gained against the euro,

which slid 0.2% to \$1.1395 . But Europe's shared currency showed steep gains for April of 5.4%, on pace for its largest monthly gain since November 2022. the dollar advanced 0.3% against the Swiss franc . For the month of April, however, the U.S. unit has fallen 7% so far, its heftiest monthly decline since January 2015.

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. The U.S. also releases first-quarter GDP data and the Federal Reserve's favored inflation gauge, core PCE, this week, while GDP and preliminary inflation figures are also due in Europe.

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
Manufacturing PMI	CNY	49.7	50.5	HIGH
Advance GDP q/q	USD	0.2%	2.4%	HIGH
Core PCE Price Index m/m	USD	0.1%	0.4%	HIGH

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

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	85.41	85.0	84.40	85.85	86.30	BEARISH
EURINR FUTURE	97.31	96.60	95.90	97.60	98.30	SIDEWAYS
GBPINR FUTURE	114.31	113.30	112.50	114.70	115.50	BULLISH
JPYINR FUTURE	59.96	59.30	58.50	60.10	60.80	BULLISH

#### **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 |

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