

## **KEY HEADLINES:**

The Indian rupee spot against the US dollar end almost flat on Wednesday, after initial fall due to uncertainty over tariff & dollar index positive outlook ahead while later on dollar sale from state own banks manage to rupee pair losses and end flat ahead of key US FED rate setting meeting outcome.

The rupee at NSE Future 25 Feb-25. ended gain by 4 paise at 86.71 against previous close of 86.75 and after make low of 86.52 and high of 86.92. most Asian markets were shut for local holidays.

So far in January, the rupee has declined more than 1% and is the worst performer among major Asian currencies due to persistent outflows and uncertainty about the U.S. President's approach to trade tariffs.

Other side, Foreign investors have sold nearly \$9 billion of local stocks and bonds, on a net basis, this month. The BSE Sensex and Nifty 50, India's benchmark equity indexes, are on a four-month losing streak, set for their worst such run in 23 years as weak earnings, foreign outflows and economic uncertainty have taken the wind out of the sails of a market that hit record highs just four months back.

The Federal Reserve held interest rates steady on Wednesday and gave little insight into when further reductions in borrowing costs may take place in an economy where inflation remains above target, growth continues, and the unemployment rate is low. US central bank leaves policy rate in 4.25%-4.50% range. Fed officials say they largely believe the progress in lowering inflation will resume this year, but have now put rates on hold as they await data to confirm it. "Economic activity has continued to expand at a solid pace. The unemployment rate has stabilized at a low level in recent months, and labor market conditions remain solid," the central bank's policy-setting Federal Open Market Committee said in a statement after the end of its latest two-day meeting.

In 2025, traders will keep an eye on potential U.S. trade tariffs which may dampen the outlook for emerging market currencies, especially the Chinese Yuan. India's growth trajectory and FPI funds flow will be the other key variable alongside any potential changes in RBI's forex strategies under the new governor.

The U.S. dollar was firmer against major currencies on Wednesday as investors awaited the Federal Reserve's monetary policy decision, as well as clues on the trajectory of

interest rates this year.

The dollar strengthened 0.23% to 0.906 against the Swiss franc . Against the Japanese yen , the dollar weakened 0.29% to 155.07. The dollar index , which measures the greenback against a basket of currencies including the yen and the euro, rose 0.03% to 107.95.

The Bank of Canada cut its key policy rate by 25 bps to 3% on Wednesday, and warned Canadians that a tariff war triggered by the U.S could cause major economic damage. The Canadian dollar weakened 0.32% versus the greenback to C\$1.44 per dollar. The Mexican peso weakened 0.05% versus the dollar at 20.579.

Bitcoin gained 1.73% to \$102,059.54. Ethereum rose 1.76% to \$3,106.53.

### **Economic Indicators to be released.**

Indicator	Currency	Forecast	Previous	Impact
Advance GDP q/q	USD	2.7%	3.1%	HIGH
ECB Press Conference	EUR			HIGH

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

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	86.71	86.40	85.90	86.95	87.50	BULLISH
EURINR FUTURE	90.30	90.20	89.50	91.0	91.70	BEARISH
GBPINR FUTURE	107.64	107.40	106.60	108.30	109.0	BULLISH
JPYINR FUTURE	56.40	56.10	55.50	57.0	57.70	BEARISH

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