

KEY HEADLINES:

The Indian rupee spot against the US dollar end lower on Wednesday, to mark its 6th day of loss in last seven pressure by recovery in dollar index & tariff as well trade deal uncertainty added by subdued equity market makes rupee under check.

While the dollar index recovered modestly, it remains under pressure on U.S. policy and economy concerns. worries over the U.S. fiscal deficit and the tariffs back-and-forth continue to linger.

The rupee at NSE Future 26 June-25. ended lower by 25 paise at 85.98 against previous close of 85.73 and after make low of 85.75 and high of 88.30. The Indian currency has declined nearly 1.5% from a high of 84.78 it touched last Monday, making it one of the worst-performing Asian currencies over this period.

Domestically, the focus this week lies on the Reserve Bank of India's upcoming monetary policy decision due on June 6. The central bank is widely expected to deliver its third 25-basis-point rate cut. And also on U.S Non farm payroll data on Friday.

India's dominant services sector maintained its robust growth in May, fueled by strong export demand and record hiring, although price pressures intensified, a survey showed on Wednesday. The HSBC India Services PMI, compiled by S&P Global, stood at 58.8 in May, marginally up from April's 58.7 but lower than expected 61.2. It has been above the 50-mark separating growth from contraction for nearly four years.

Indian markets will likely be among the top three in Asia to attract foreign inflows once tariff-related uncertainties ease, with the rupee and local currency-denominated bonds benefiting the most, an executive from BofA Securities told Reuters. "India within Asia should be one of the best markets for investments as they have a lot of drivers for growth which other markets do not have," David Hauner, head of global emerging markets fixed income strategy at BofA Securities, said on Tuesday.

The Fed next meets on June 17-18, when the central bank will release new projections from policymakers about their outlook for inflation, employment and economic growth in coming months and years, and the projected interest rate they feel would be appropriate.

The dollar fell across the board on Wednesday after weaker-than-expected U.S. private payrolls data highlighted continued easing in the labor market and data showed U.S.

services sector contracted for the first time in about a year in May.

U.S Pvt payrolls rose by only 37,000 jobs in May, far less than expected, after a downwardly revised 60,000 rise in April, the ADP National Employment Report showed on Wednesday. The data prompted U.S. President Donald Trump to reiterate his calls for Federal Reserve Chair Jerome Powell to lower interest rates.

Separately, data showed the U.S. services sector contracted for the first time in nearly a year in May while businesses paid higher prices for inputs, a reminder that the economy remained in danger of a period of very slow growth and high inflation.

The dollar was 0.6% lower against the Japanese yen at 143.165 yen. The euro rose 0.5% to \$1.1424, ahead of the European Central Bank's decision on interest rates expected on Thursday. The Swiss franc rose 0.5% to 0.820 francs to the dollar, while the dollar index , which measures the currency against six others, was flat 0.3% lower on the day at 98.847, not far from its late April low of 97.923.

the Canadian dollar was about 0.3% higher versus its U.S. peer after the Bank of Canada on Wednesday held its key benchmark rate at 2.75%, citing the need to probe the effects of U.S. trade policy.

In light of the signs of easing trade tensions, markets have dialed back expectations for rate cuts from the U.S. Federal Reserve this year, pricing in a 75.4% chance for the first cut of at least 25 basis points (bps) at the central bank's September meeting, according to LSEG data. The prior view was for a likely cut in July.

Bitcoin, the world's largest cryptocurrency by market capitalisation, was 1% lower on the day at \$104,839.



Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Main Refinancing Rate	EUR	2.15%	2.40%	HIGH

Support Resistance Levels – Currency Future: (NSE CUR - 26 June 25)

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	85.98	84.95	84.30	86.30	87.0	BULLISH
EURINR FUTURE	98.02	97.0	96.40	98.15	99.0	BULLISH
GBPINR FUTURE	116.20	114.90	114.0	116.50	117.50	BULLISH
JPYINR FUTURE	59.83	59.50	59.0	60.25	61.0	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

Bonanza Research Team4

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