

## KEY HEADLINES:

The Indian rupee spot against the US dollar end higher on Wednesday, after RBI hold rate steady & likely central bank intervention support rupee, however U.S tariff threat & outflow concern check rupee at every gain.

The rupee at NSE Future 26 Aug-25. ended gain by 4 paise at 87.83 against previous close of 87.87 and after make low of 87.71 and high of 87.88.

The Reserve Bank of India's six-member rate-setting panel voted unanimously to hold the repo rate at 5.50% and maintain a "neutral" policy stance, even as economists expect steep U.S. tariffs on Indian goods and subdued inflation to open room for limited further easing. The central bank has cut the policy repo rate by 100 bps so far in 2025 as price pressures eased. The central bank left its economic growth forecast unchanged at 6.5%. The inflation outlook has become "more benign", Malhotra said, cutting the central bank's inflation forecast for the current financial year to 3.1% from 3.7% earlier. Core inflation remains steady and is likely to remain modestly above 4%, Malhotra said.

Rupee slid 1.18% against the dollar in the week through August 1, its sharpest weekly decline in nearly three years and would likely have hit a new record low if not for central bank intervention. When the RBI cuts the repo rate, there is a risk of currency weakness as foreign investors may shift their capital to markets with higher interest rates.

India recorded net outflows of \$800 million in the current financial year starting April through the end of July 31 due to outflows in the debt segment, the RBI governor said in his monetary policy announcement.

U.S. President on Wednesday imposed an additional 25% tariff on Indian goods, citing New Delhi's continued imports of Russian oil in a move that sharply escalated tensions between the two nations after trade talks reached a deadlock. The new import tax, effective 21 days after August 7, will raise duties on some Indian exports to as high as 50% - among the highest levied on any U.S. trading partner. India's external affairs ministry called the decision "extremely unfortunate," noting that many other countries are also importing Russian oil in their national economic interest. "India will take all necessary steps to protect its national interests," it said, adding that purchases were driven by market factors and the energy needs of India's 1.4 billion people.

An internal working group of the Reserve Bank of India has suggested keeping the overnight weighted average call money rate as the operative target of monetary policy,

and has recommended a shift to seven-day operations as the main tool. The group was studying the liquidity management framework that has been in place since February 2020. The recommendations were uploaded on the central bank website on Wednesday. The operative target is the market rate the central bank seeks to align with its policy repo rate through market operations.

The Reserve Bank of India is seeking to expand the availability of credit enhancement facilities for corporate bonds, in a bid to improve their ability to raise funds from the market. Partial credit enhancement (PCE) — an instrument through which the effective rating of a bond is raised — can now be offered by banks, non-bank lenders and development finance institutions, the central bank said in rules released on Wednesday.

India's central bank published final rules for co-lending arrangements between banks and non-bank financial firms on Wednesday, expanding the scope of such partnerships beyond priority sector lending and introducing tighter norms. The framework, effective January 1, 2026, mandates that the lender retain at least 10% of individual loan exposures on its books and clearly disclose roles and responsibilities to borrowers. The move aims to provide regulatory clarity and strengthen risk-sharing mechanisms in joint lending portfolios, the Reserve Bank of India said.

India's fuel consumption in July fell by 4.3% month-on-month to 19.43 million metric tons, oil ministry data showed on Wednesday. Fuel demand in July fell 4% year-on-year to 19.43 million tons from 20.24 million tons a year earlier, while June demand stood at 20.22 million tons, data on the Petroleum Planning and Analysis Cell's website showed.

The dollar dropped on Wednesday and the euro hit a one-week high as traders bet that the Federal Reserve will cut rates more times than previously expected this year, following weaker than expected jobs data for July. With no major U.S. economic releases on Wednesday traders continued to focus on the implications from Friday's jobs report.

The dollar index was last down 0.56% on the day at 98.18, the lowest since July 28. It posted a 1.35% drop on Friday, the largest one day fall since April. The euro rose 0.76% to \$1.1662, the highest since July 28. It recorded a 1.48% gain on Friday. The dollar fell 0.35% to 147.09 yen . It dropped 2.24% against the Japanese currency on Friday, the largest daily decline since January 2023. Sterling rose 0.47% to \$1.3362 before the Bank of England on Thursday is expected to cut interest rates by 25 basis points.

Markets are now pricing an 95% chance the Fed will ease rates by a quarter-point next month owing to the weaker than expected jobs data, according to CME's FedWatch, with just under 60 basis points worth of cuts expected by December, implying two 25 basis point cuts and a 40% chance of a third.

**Economic Indicators to be released.**

Indicator	Currency	Forecast	Previous	Impact
Official Bank Rate	GBP	4.0%	4.25%	HIGH

### Support Resistance Levels - Currency Future: ( NSE CUR - 26 Aug 25)

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	87.83	87.30	86.50	88.0	88.60	BULLISH
EURINR FUTURE	102.0	101.40	100.50	102.10	103.0	BULLISH
GBPINR FUTURE	117.02	116.50	115.80	117.40	118.20	BULLISH
JPYINR FUTURE	59.43	58.90	58.30	60.0	60.60	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 |

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