

## **KEY HEADLINES:**

The Indian rupee against the US dollar end little change on Monday as initial price gain on fall in US treasury yield and prospect of rate cut in Sep by US FED but during the day dollar demand by importers check rupee gain on lack of clue from equity market as well some rebound seen in crude prices after last week sharp fall.

The rupee at NSE Future 29 May. ended down by 8 paise at 83.59 against previous close of 83.51 and after make low of 83.48 and high of 83.62. Asian currencies were mixed with the offshore Chinese yuan down 0.3%, while the Korean won rose 0.9%.

Growth in India's dominant services industry softened in April but remained sturdy on robust domestic and foreign demand, lifting business confidence to a three-month high, as The HSBC final India Services PMI, compiled by S&P Global, fell to 60.8 in April from 61.2 in March, confounding a preliminary estimate for a rise to 61.7. Despite the decline in the headline reading, the figure still marked one of the fastest growth rates in just under 14 years. Activity in the services sector has been above the 50-mark separating growth from contraction since August 2021.

The recent sharp foreign investor selling in Indian government bonds in April, marking the highest monthly sales since the Covid-19 pandemic, is only an aberration, with inflows likely to continue in the coming months, according to various analyst expectations. Foreign investors sold bonds worth 149.5 billion rupees (\$1.79 billion) on a net basis in April, the highest in the four years, after net purchases of bonds worth 816 billion rupees between October and March.

India's improving trade deficit, inflows into bonds and reduced pressure on the rupee in the offshore market has lowered the need for the Reserve Bank of India (RBI) to intervene aggressively in the foreign exchange market. The RBI's interventions eased significantly earlier this year, with the RBI buying \$8.5 billion in February and not making any sales, its latest monthly bulletin showed. Its gross FX intervention in February was the lowest in six months and about an eighth of the average monthly intervention during October-December.

The dollar fell against most currencies on Monday for a fourth straight session as recent labor market data and comments from Federal Reserve officials buoyed rate-cut hopes, but the greenback strengthened against the yen after last week's suspected interventions. The dollar index , which measures the greenback against a basket of

major currencies, was on track for its longest streak of declines since early March.

The dollar index fell 0.1% at 105.06, with the euro up 0.12% at \$1.0771. On Monday, the yen weakened 0.61% against the greenback at 153.92 per dollar.

Bloomberg Index Services said it will include 34 Indian government bonds that are open for investment under the country's fully accessible route in its emerging market local currency indexes from January 2025. The announcement follows JP Morgan's decision to add Indian government bonds in its Government Bond Index-Emerging Markets from June 2024.

Markets are now pricing in nearly 50 basis points of rate cuts from the Fed this year, including a 65.7% chance of a rate cut of at least 25 basis points in September, according to CME's FedWatch Tool.

**Economic Indicators to be released.**

Indicator	Currency	Forecast	Previous	Impact

Cash Rate	AUD	4.35%	4.35%	HIGH

**Support Resistance Levels – Currency Future:**

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	83.59	83.25	82.80	83.85	84.50	BULLISH
EURINR FUTURE	89.83	89.20	88.90	89.90	90.80	BULLISH
GBPINR FUTURE	104.84	104.40	103.65	104.90	105.75	BULLISH
JPYINR FUTURE	54.33	53.75	53.20	54.50	55.10	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 send 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