

## **KEY HEADLINES:**

The Indian rupee spot against the US dollar ended sharply lower on Monday, its worst fall in 3-weeks, as uncertainty about U.S tariff policies with U.S President threat of a fresh 10% levy on BRICS countries, makes pressure on Rupee as well Asian peers along with dollar demand from foreign banks.

The rupee at NSE Future 29 July-25. ended lower by 49 paise at 85.96 against previous close of 85.47 and after made low of 85.55 and high of 86.10.

It was not immediately clear if Trump's tariff threat would derail trade talks with India and other BRICS nations. The South African rand fell 1% after Trump's threat while the offshore Chinese yuan was down 0.2%.

President Donald Trump said on Monday the U.S. would impose a 25% tariff on imports from Japan and South Korea beginning Aug. 1 as he unveiled the first two of an expected 12 letters to trading partners outlining the new levies they face. "If for any reason you decide to raise your Tariffs, then, whatever the number you choose to raise them by, will be added onto the 25% that we charge," Trump said in letters to the leaders of the two Asian countries, which he posted on his Truth Social platform. Later, Trump also announced the U.S. will impose 25% tariffs on Malaysia and Kazakhstan, 30% on South Africa and 40% on Laos and Myanmar.

Rupee posted modest losses of 0.2% and 0.3% respectively for the month June and qtr, underperforming most Asian peers amid a broad dollar downtrend. Asian peers such as the Taiwan dollar and Korean won have risen about nearly 13% and 8% year-to-date, respectively, while the offshore Chinese yuan, a closely tracked peer of the rupee, is up over 2%.

The dollar firmed against other major currencies on Monday, after remarks from U.S. officials offered little clarity on the outlook for tariffs, days ahead of a crucial deadline. Most U.S. trade partners face the prospect of steeper duties at the end of the 90-day moratorium on U.S. President Donald Trump's "Liberation Day" reciprocal tariffs on Wednesday. Trump clarified on Sunday that the new rates would take effect from August 1.

The dollar index, rose 0.34% to 97.294 and briefly hit a one-week high, Still, the index is close to a 3-1/2-year trough and has declined 10% so far this year as investors

questioned the safe-haven status of the U.S. currency and reassessed earlier expectations that the U.S. could be spared in the event of a global economic slowdown.

The dollar inched up 0.25% to 0.797 against the Swiss franc on Monday, near the January 2015 low it revisited in the previous week. The euro slipped 0.41% to \$1.1738 having rallied over 13% so far this year. The dollar reversed an earlier decline and rose 0.78% at 145.725 yen , reaching a one-week high. Sterling weakened 0.08% to \$1.364, but stayed near its strongest level since October 2021.

Market expectations that the Fed will leave rates unchanged at its July meeting rose to a 95.3% probability, up from 76.2% a day ago, according to the CME's Fedwatch tool, while a cut by September has a 93% probability, according to the CME Group's FedWatch Tool. In total, traders see 66 basis points of cuts by year-end, indicating a potential third 25-basis point reduction, up from 46 basis points on Friday.

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

Indicator	Currency	Forecast	Previous	Impact

Cash Rate	AUD	3.60%	3.85%	HIGH

#### Support Resistance Levels – Currency Future: ( NSE CUR - 29 July 25)

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	85.96	85.50	85.25	86.30	87.10	SIDEWAYS
EURINR FUTURE	100.90	100.40	99.70	101.50	102.20	BULLISH
GBPINR FUTURE	117.01	116.30	115.50	117.50	118.10	BEARISH
JPYINR FUTURE	59.75	59.50	59.0	60.10	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 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