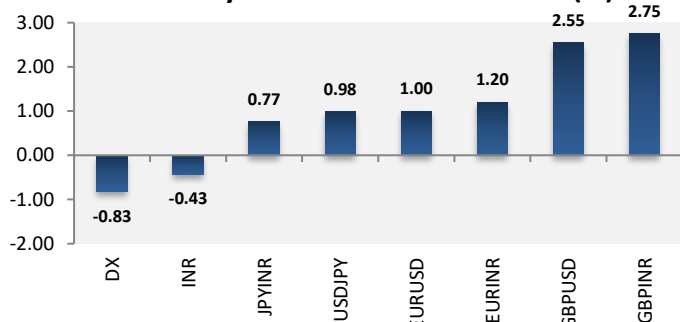


## Weekly Currencies Performance (%)



Source: Refinitiv; Angel Currencies

### Key Highlights

- RBI is encouraging state refiners to cut spot dollar buying
- MPC voted with 5-1 majority in favor of 50-bps hike
- China's Manufacturing PMI fall below prior and expectations

### Weekly Currency Performance & Outlook

#### USDINR

Last week saw a lot of volatile movements in the Indian currency. Initially the local unit weakened towards 81.95 levels owing to sharp rise in DXY as markets were still discounting the FOMC policy release where the committee hiked rates by 75 basis points and indicated more large rate hikes. However, later the Rupee turned positive on account of persistent RBI intervention who tried to bring some stability in the highly volatile Rupee. Towards the end, again the weakness crept in as the world markets and currencies were on fire. Apparently, the BoE's decision to buy long-dated British bonds prompted a pullback in Treasury yields and the dollar index. Moreover, RBI's rate hike move kept the investors on toes.

**USDINR SPOT (CMP: 81.34) is likely to trade higher towards 82.30 mark.**

#### EURINR

Last week, both EURUSD and EURINR surged by more than 1 percent after the ECB President Christine Lagarde participated in a US-European Geoeconomics forum and said they would continue to hike rates in the next several meetings. Governing Council member Peter Kazimir and Bank of Latvia Governor, and ECB governing council member, Martins Kazaks were on the wires supporting a 75-bps rate hike in the October meeting. Euro zone government debt yields jumped to multi-year highs amid expectations that central banks will keep tightening their

monetary policy. Moreover, the fall in DXY post the BoE Policy further worked in favor of the Indian Rupee.

**EURINR SPOT (CMP: 79.68) is likely to trade higher towards 80.90 levels.**

#### GBPINR

Sterling pound in the initial few days traded lower after the UK government's tax-cutting plans sparked fears. To calm the markets, the BoE said it would temporarily buy long-dated bonds - linked most closely to workers' pensions and home loans - considering a surge in UK bond yields and related borrowing costs. It later confirmed that it could buy just £1.025 billion in the emergency QE operation, well below the planned £5 billion. This later pushed the Pound higher. Both GBPUSD and GBPINR surged by more than 2 percent.

**GBPINR SPOT (CMP: 90.69) is likely to trade higher towards 91.60 levels.**

### Weekly Trend Deciding Levels

CURRENCY	S2	S1	R1	R2
USDINR Oct	80.40	81.00	82.30	82.90
EURINR Oct	78.20	79.00	80.70	81.50
GBRINR Oct	88.70	89.50	91.20	92.00
JPYINR Oct	55.30	56.00	57.50	58.30

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