

USD/INR SPOT (▲ 0.15%)



Last Close | Expected Range For The Week | Next Trading Session

83.42 | 83.15 - 83.96* | 83.30 – 83.75*

Technical Outlook

- The shortened week found the USD/INR trade in the 83.10 – 83.50 range, with the pair bouncing off strongly from near the 20-day moving average
- An upside gap was created on Friday, with the low area of the gap near 83.16 now becoming a key downside marker
- A Fibonacci cluster of resistances lies near 83.46/50. Should this zone be breached, the next upside hurdle can be seen near 83.64/70, where heavy OTC options volume is due to expire in the coming week. On the downside, the 83.15 - 83.30 area offers support; this also includes a notable options strike around 83.30.
- The daily stochastic oscillator is hovering close to the overbought threshold near 80, while the weekly configuration remains decidedly bullish as the market nears overbought territory
- For the coming week, the USD/INR has gained in nine out of 10 occasions; mean returns have been 0.4% with maximum and minimum returns of 1.3% and -0.2% respectively (analysis based on decade-long data)

Macro Commentary

- The US economy persists in demonstrating resilience, with inflation surpassing expectations and an escalation in geopolitical tensions prompting a flight towards safe-haven assets which helped the dollar trade higher
- India’s Consumer Price index for March eased to 4.9% from 5.1% previously, the third consecutive month of declines
- In the upcoming week, a significant number of data releases are scheduled, but traders will particularly scrutinize the Federal Reserve Chair’s remarks during a fireside chat, seeking cues regarding the next interest rate move.

Event Calendar

DATE	PARTICULARS	FORECAST	PRIOR
15-04-2024	Core Retail Sales m/m	0.5%	0.3%
15-04-2024	Empire State Manufacturing Index	-5.2	-20.9
15-04-2024	Retail Sales m/m	0.4%	0.6%
16-04-2024	Fed Chair Powell Speaks	--	--
18-04-2024	Unemployment Claims	214K	211K

* As per Bloomberg Estimates

EUR/INR SPOT (▼ -1.5%)



Last Close | Expected Range For The Week | Next Trading Session

88.93 | 87.83 – 90.17* | 88.37 – 89.54*

Technical Outlook:

- The surge in the Dollar index (1.7% up on the week) exerted significant pressure on the Euro. As a result, the pair plummeted and neared the 1.06 mark. Consequently, the EUR/INR also slumped on Friday, falling below the 89.00 handle and the intersection point of the 50- and the 200-day averages
- Fibonacci resistances for the pair can be seen between 89.66 and 90.50, while a support area extends from 88.15 to 88.60. For the EUR/USD, support lies between 1.0500 - 1.0630, while resistances will come into play in the 1.0720 – 1.0820 zone
- Notable option expirations in the EUR/USD lie at strikes of 1.07, 1.08 and 1.09. For the upcoming trading session, large options volumes near strikes of 1.0575 and 1.0880 are due to expire, so we could see some volatility near these levels should the pair get there
- The daily oscillator regime is bearish and has not become oversold yet. Additionally, the jump in the prior week was not able to clear the hurdle created by the 20/50-week averages, and that means the weekly oscillator has turned south again, just above the oversold threshold
- For the coming week, the pair has risen 60% of the time over the last decade; mean returns have been 0.5% with best and worst returns of 2.3% and -0.5% respectively

Macro Commentary:

- In the week that just concluded, the ECB opted to maintain the policy rates unchanged but hinted at a potential rate cut in June. Meanwhile, expectations for a rate cut by the FED diminished, leading to the emergence of policy divergence expectations between the central banks.
- Turning our gaze to the week ahead, there are no significant data releases expected from the bloc. Consequently, the Euro's trajectory will hinge largely on the trend and direction of the greenback, driven by US economic data.

Event Calendar:

DATE	PARTICULARS	FORECAST	PRIOR
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* As per Bloomberg Estimates

GBP/INR SPOT (▼ -0.9%)



Source: Bloomberg

Last Close | Expected Range For The Week | Next Trading Session

104.26 | 102.97 - 105.23* | 103.32 – 105.11*

Technical Outlook:

- This past week the GBPUSD fell 0.9% - its biggest such decline since the week ending Feb. 9 – on reduced expectations of cuts from the US Federal Reserve as CPI y/y printed north of expectations (3.5% v/s 3.4%). That saw the INR cross also suffer, with the pair finishing below the 200-day average for the second straight day
- Supports for the GBP/INR lie between 101.77 and 103.66, while an upside barrier falls in the 104.90 – 105.60 zone. Against the dollar, resistance can be seen near 1.2535 – 1.2660, while supports cluster around 1.2260 – 1.2340
- Significant expirations for the GBP/USD that are coming due next week lie at strikes of 1.2390 and 1.2450
- Daily stochastics along with the weekly configuration remain bearish
- For the coming week, the pair has risen 60% of the time over the last 10 years; average returns have been 0.5% with maximum and minimum returns of 2.8% and -1.3% respectively

Macro Commentary:

- The Federal Reserve's "tighter for longer" stance was reaffirmed courtesy the unexpectedly high US inflation figures. This exerted considerable pressure on the GBP, which fell to its lowest since November
- As we look forward to the upcoming week, the UK economy is set to release several significant data points. However, all eyes will be on Bank of England Governor Bailey's speech. Market participants eagerly await insights into the central bank's potential policy adjustments.

Event Calendar:

DATE	PARTICULARS	FORECAST	PRIOR
16-04-2024	GDP m/m	0.1%	0.2%
16-04-2024	Claimant Count Change	17.2K	16.8K
16-04-2024	BOE Gov Bailey Speaks	--	--
17-04-2024	CPI y/y	3.1%	3.4%
19-04-2024	Retail Sales m/m	0.3%	0.0%

* As per Bloomberg Estimates

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