



FX DAILY DOSSIER

February 14, 2024

INR CURRENCIES PAIRS

PAIR	TREND	RANGE
USDINR	Sideways	83.00 - 83.15
EURINR	Bearish	88.75 - 89.75
GBPINR	Mild bearish	104.44 - 104.88
JPYINR	Bearish	55.00 - 55.35

KEY EVENTS TO WATCH

UK CPI @ 12:30 IST

BOE Gov Bailey Speaks @ 20:30 IST

The Dollar Index Surged To Three-Month High After Fed Rate Cuts Diminished In Near Term ; Rupee's Downside Still Limited :

The dollar index surged to nearly three month high after hotter-than-expected US CPI report, with the headline figure rising to 3.1% against an expected 2.9%, and core CPI reaching 3.9% versus the 3.7% forecast for January.

The benchmark 10-year treasury note yield settled at 4.315%, up from 4.170% on Monday, while the 2-year Treasury note rose to 4.654%. DXY hit 104.70, and the rupee is set to open near 83.10 to a dollar. Global equities experienced a sell-off, with key US benchmark equity indices plunging more than a percent.

Futures are now pricing in an 8.5% chance of a Fed rate cut at its March meeting, down from 16% on Monday, according to the CME FedWatch tool. The probability of a cut in May is about 36%, down from 52% previously - case for a stronger dollar.

Apparently the trend for the Dollar Index is expected to remain bullish, but a substantial downside in the rupee is not anticipated. The domestic unit may find support around the 83.15 - 83.20 zone in the coming days.

E-mail: smc.care@smcindiaonline.com



Corporate Office:
 11/6B, Shanti Chamber,
 Pusa Road, New Delhi - 110005
 Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:
 Lotus Corporate Park, A Wing 401 / 402 , 4th Floor ,
 Graham Firth Steel Compound, Off Western
 Express Highway, Jay Coach Signal, Goreagon
 (East) Mumbai - 400063
 Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:
 18, Rabindra Sarani, Poddar Court, Gate No-4,
 5th Floor, Kolkata - 700001
 Tel.: 033 6612 7000/033 4058 7000
 Fax: 033 6612 7004/033 4058 7004

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