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It's all about managing risk...

Vadilal

Date / Time	10-Mar-2023 / 10:12 AM	Friday	Spot Date / Tom Date	14-Mar-2023 / 13-Mar-2023	Tuesday / Monday	MARKET BEACON REPORT

Currency	Spot Rates Bid / Ask	Cash Spot Bid / Ask	Direction	Range for the Day	Our Recommendation
₹	82.025 / 82.035	0.95 / 3	Mildly Bullish	81.90-82.20	Exporters already covered for Near-Term Basis, may continue to remain on Sidelines
					Importers already covered for Immediate Payables - may utilise the current Spot to plan Payables for Near-to-Medium Term Basis as going ahead Rupee looks Bearish
€	1.0595 / 1.0599	1.49 / 3.62	Mildly Bearish	1.0550-1.0630	Exporters may adequately remain covered for Near-Term Basis
	86.91 / 86.95	2.23 / 6.15		86.60-87.20	Importers already covered for Immediate Payables may plan booking a tranche further around current Spot
£	1.1927 / 1.1928	0.41 / 1.4	Mildly Bullish	1.1880-1.1950	Exporters already covered for Immediate-to-Near Term Basis may wait for further bookings
	97.84 / 97.85	1.47 / 4.72		97.50-98.20	Importers may utilise current Spot to plan Payables for Near-Term Basis
¥	136.64 / 136.67	-7.68/ -7.04	Mildly Bearish	136.20-136.80	Exporters already covered for Immediate-to-Near Term Basis may wait for further bookings
	60.02 / 60.04	3.79 / 5.56		59.80-60.30	Importers may utilise current Spot to plan Payables for Near-Term Basis

USD/INR Pre-Spot and Forwards Rates (Paise)

	Bid	Ask	Bid	Ask
CASH	0.95	3.00	81.9950	82.0255
TOM	0.20	1.00	82.0150	82.0330
31 Mar 23	6.25	8.25	82.0875	82.1175
28 Apr 23	27.25	29.25	82.2975	82.3275
31 May 23	42.50	44.50	82.4500	82.4800
30 Jun 23	57.00	59.00	82.5950	82.6250
31 Jul 23	71.75	73.75	82.7425	82.7725
31 Aug 23	86.25	88.25	82.8875	82.9175
29 Sep 23	99.75	101.75	83.0225	83.0525
31 Oct 23	114.75	116.75	83.1725	83.2025
30 Nov 23	128.75	130.75	83.3125	83.3425
29 Dec 23	142.25	144.25	83.4475	83.4775
31 Jan 24	157.75	159.75	83.6025	83.6325
29 Feb 24	171.50	173.50	83.7400	83.7700

Cross Currency Forwards

	Bid	Ask	Bid	Ask
Month	EUR/USD		EUR/INR	
31 Mar 23	1.0606	1.0611	87.13	87.18
28 Apr 23	1.0625	1.0630	87.44	87.50
31 May 23	1.0646	1.0652	87.78	87.85
Month	GBP/USD		GBP/INR	
31 Mar 23	1.1932	1.1933	98.01	98.04
28 Apr 23	1.1940	1.1941	98.25	98.30
31 May 23	1.1949	1.1953	98.53	98.59
Month	USD/JPY		JPY/INR	
31 Mar 23	136.2840	136.3178	60.27	60.30
28 Apr 23	135.6867	135.7345	60.63	60.66
31 May 23	135.0027	135.0388	61.06	61.10

Other Major Currencies (Spot)

Currency	v/s USD	v/s INR	% Change v/s USD
CAD	1.3842	59.27	-0.07%
AUD	0.6589	54.05	0.00%
NZD	0.6109	50.12	0.13%
CHF	0.9293	88.31	0.37%
SEK	10.7295	7.65	0.06%
Emerging Market Currencies			
CNY	6.9656	11.78	0.02%
CNH	6.9750	11.76	0.03%
ZAR	18.5270	4.43	0.28%
MYR	4.5200	18.17	0.08%
SGD	1.3551	60.54	-0.09%
IDR	15465	53.06	-0.23%
THB	35.1200	2.34	-0.24%
BRL	5.1655	15.88	0.01%
RUB	75.9200	1.08	-0.07%

Our Point of View

Worlds riskiest market are struggling to cope with their already existing economic crisis with the added shock of Dollar shortage. Hospital surgeries in Srilanka are delayed, International flights have been suspended in Nigeria, car factories are shut in Pakistan, the war torn countries of Afghanistan, Syria and Libya are facing shortages of basic life surviving facilities. In some of the world's most vulnerable developing nations, the ground situation is in dire state. Shortages of dollars are crimping access to everything from raw materials to medicine with governments struggling to manage their debts as they chase rescue packages from the IMF. Global assets managers are now taking a cautious view – a shift from the broad emerging market optimism seen at the beginning of the year. More risk-averse money managers are instead hunting for attractive yields in debt from governments that have managed to keep their fiscal deficits in check and currencies relatively stable – someone like India. The whole emerging markets hullabaloo has now entered a very dangerous cycle, with many of them on verge of Defaults, many marred by War and others marred by US dollar shortage amid dwindling global trades. From the EM Euphoria a year and a half ago, it's now turning into a EM Crisis. All these troubled countries are populous nations and to avail the IMF bailout they have to adhere to tough austerity measures, which will drastically reduce public consumption. Reduction in public consumption by populous nations is not good news for producing nations as their Trades will get affected amid dwindling demand and slowing exports. The EM crisis will not leave the developed nations or China and India unscathed and things may get worse from hereon before they get better.

USDINR Option Premium (In Paisa)

Maturity	31 Mar 23		28 Apr 23		31 May 23	
Option	Strike	Premium	Strike	Premium	Strike	Premium
CALL	82.12	47	82.33	67	82.48	87
	82.50	31	82.50	58	82.50	84
	83.00	18	83.00	39	83.00	63
PUT	82.09	46	82.30	66	82.45	84
	82.00	39	82.00	51	82.00	62
	81.50	21	81.50	33	81.50	44

FPI Activity (Net $Mln)	Equity	Debt	US $ Index
08-Mar-2023	481.31	-152.12	105.184 (-0.12%)

USD/INR annualised Forwards

Duration	Paise	Ann %
1 Month	21	2.75%
2 Month	37	2.66%
3 Month	51	2.48%
6 Month	95	2.29%
12 Month	180	2.19%

USD - LIBOR/SOFR

Duration	LIBOR	SOFR
O/N	4.56114	4.55000
1 MONTH	4.80600	4.84703
3 MONTH	5.15371	5.10713
6 MONTH	5.49986	5.38900
12 MONTH	5.86329	5.57989

USD SWAPS %

Duration	IRS	MIFOR
2Y	5.0869	7.69
3Y	4.6000	7.69
5Y	4.1280	7.73
7Y	3.9290	7.94
10Y	3.8010	7.96

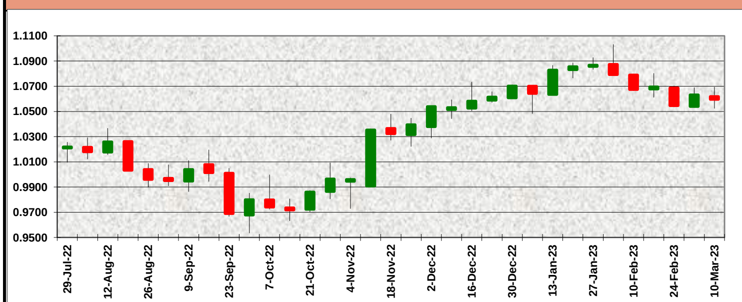
Money / Debt Market

O/N MIBOR	6.41
5yr OIS	6.58
3M TBILL	6.92
1 yr Gsec	7.30
3 yr Gsec	7.35
10yr Gsec	7.40

Equities and Commodities

BSE	59104	-702
NSE	17367	-223
Brent Oil	81.11	-0.48
Nymx Oil	75.12	-0.60
Gold	1829	-2.10
Silver	19.92	-0.15

TECHNICAL OVERVIEW - EURUSD (Weekly Chart)



Let's once again talk about EUR because that shall provide more clarity where US Dollar is headed because EUR has highest weightage in DXY i.e. more than 50%. As mentioned that if DXY has to rise immediately EUR has to close below 1.0550 on weekly basis until that we may expect further range bound movement. If EUR closes below 1.0500 on weekly basis we may see sharp correction towards 1.0350 and later 1.0100. Bulls are still trying to hold positions in EUR though structurally EUR looks weak so bulls ay go sideways sooner than later. The DXY remain well bid at lower levels and if DXY hold above 105.00 on closing basis we may see sharp rise towards 108.00. While for EUR 1.0700 remains strong resistance and above that further gains towards 1.1000. Fundamentally rising UST yields across maturity shows further hike by US FED in upcoming days and holding it for long while on the flip side ECB may not remain as aggressive as US FED due to slowing growth in EUROPE. If Exporters could not take advantage of higher levels they may start hedging now as 1.0680/1.0700 remain supply zone and if they choose to wait, wait with SL of 1.0550. While importers to look to hedge payables on every dip. Trades may once again enter shorts near 1.0650 with SL of 1.0700 for target of 1.0550 and 1.0480.

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