



Global outlook: The markets find "succor" from Lebanon-Israel cease fire!

The U.S. dollar climbed against major currencies on Thursday, retracing some of its recent losses on a technical recovery, as investors awaited news about a possible U.S.-Iran peace deal. President Trump said the U.S.-Israeli war with Iran was "close to over," while the White House expressed optimism about a deal, saying more in-person talks would likely take place in Pakistan over the weekend.

Global stocks rallied to a fresh record on Thursday as the announcement of a ceasefire between Israel and Lebanon boosted sentiment, but oil prices also rose as global supply buffers continue to dwindle with the key Strait of Hormuz still blockaded. U.S. President Donald Trump announced that Lebanon and Israel had agreed on a 10-day ceasefire, saying the next meeting between the U.S. and Iran may take place over the weekend. Negotiators have scaled back some of their ambitions for those talks, as the U.S. Navy is also now preventing Iranian vessels from transiting the strait.

Israel has been waging a parallel campaign against Iran-backed militant group Hezbollah in Lebanon. Trump, in a post on Truth Social on Thursday, said that Israeli and Lebanese leaders had agreed to begin a 10-day ceasefire. U.S. stocks advanced, with the S&P 500 and Nasdaq Composite closing at records for the second consecutive session, led by a 1.6% increase in the S&P 500 energy index. The Nasdaq has now climbed for 12 straight sessions, its longest winning streak since July 2009.

MSCI's gauge of stocks across the globe rose 3.26 points, or 0.3%, to 1,064.19 after hitting an intraday record of 1,065.59, while the pan-European STOXX 600 index edged down 0.05%. The market's surge has some investors believing that equities are due to retrench a bit.

Crude futures have bounced all over the place in recent days, often swinging on the latest optimistic pronouncement from Trump over an imminent end to the conflict that would see the Strait of Hormuz - used to move one-fifth of the world's oil and gas supply - reopened. On Thursday, oil climbed, with U.S. crude settling up 3.7% to \$94.69 a barrel, while Brent settled at \$99.39 per barrel, up 4.7%.

The Dow rose 115 points, or 0.2%, to 48,578.72, the S&P 500 gained 18.33 points, or 0.3%, to 7,041.28 and the Nasdaq Composite climbed 86.69 points, or 0.4%, to 24,102.70.

The U.S. dollar rose, retracing some of its recent losses, after weekly U.S. initial jobless claims were lower than expected last week. The index which measures the greenback against a basket of currencies including the yen and the euro, rose 0.22% to 98.22. The index had declined for eight straight sessions through Wednesday, giving up most of the gains it had enjoyed as the war increased its appeal as a safe haven.

In Asia, the offshore yuan traded at 6.8231 yuan per dollar, down 1%. It rose earlier in the session after data showed China's economy grew 5% in the first quarter, beating analysts' expectations, picking up speed on strong exports and policy support. The Australian dollar, which is often seen as a proxy for sentiment about the global economy, earlier rose to a four-year high of US\$0.7197 before falling. It was last down 0.2% at US\$0.7159.

Gold prices were little changed. Spot gold edged up 0.02% to \$4,790.79 an ounce while U.S. gold futures rose 0.08% to \$4,803.70 an ounce.

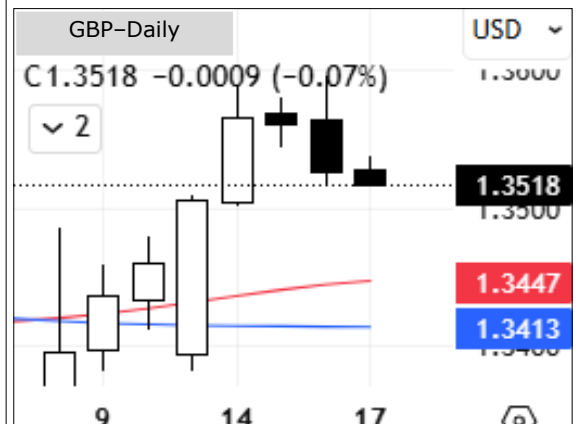
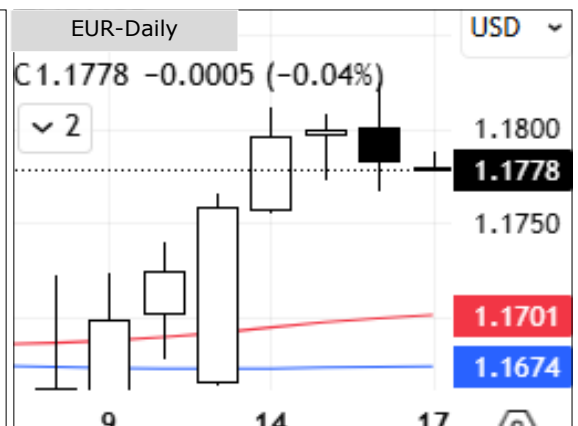
Technical Analysis and Hedging Strategies: Medium term

EUR/USD: 1.1776/80: Near Term: Neutral | Medium Term: Neutral.
Key Support : 1.1413 | Key Resistance: 1.1834/1.1931/ 1.2080

The EUR hovered just under \$1.18, holding close to its pre-war highs, supported by broad-based dollar weakness as investors grow more optimistic that diplomatic efforts could bring an end to the US-Iran conflict. Reports indicate that both sides are considering a two-week extension of the ceasefire to allow additional time for negotiations, with a second round of talks expected in the near term. In this context, oil prices have eased from recent peaks, helping to alleviate inflationary pressures and prompting traders to scale back expectations for near-term monetary tightening by the ECB. Markets are now pricing in two 25 basis point rate hikes this year, down from three anticipated just a few weeks ago. *The EUR is meeting with some resistance here and is resolving the overbought condition, before possibly attempting higher in the interim!*

GBP/USD: 1.3516/18: Near Term : Neutral | Medium Term: Neutral.
Key Support : 1.3040/ 1.3159 | Key Resistance: 1.3714/1.3865

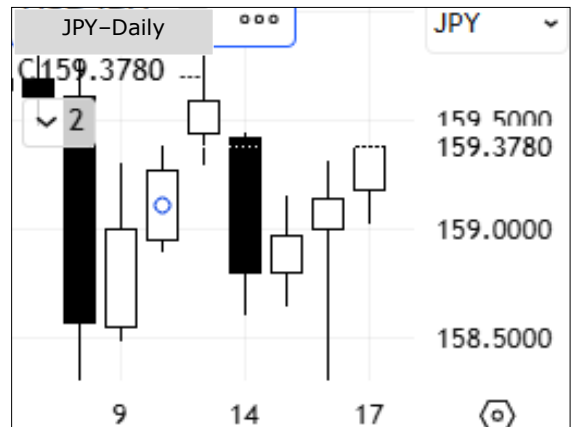
Strategy: The GBP eased to around \$1.356 as traders scaled back expectations for a BoE rate hike, supported by growing optimism that the Middle East conflict may be nearing an end. Policymakers have signaled no urgency to tighten policy, with Governor Andrew Bailey saying it is too early to assess the war's impact, describing it as a major energy shock whose duration will shape inflation. Also, policymaker Megan Greene said markets were right to dial back aggressive rate hike expectations. The conflict is expected to weigh heavily on the UK economy, lifting borrowing costs and inflation while dampening growth prospects ahead of the April 30 policy meeting. Despite this, recent data showed strong momentum before the war, with GDP rising 0.5% in February. Sterling remains near an eight-week high and is up about 2.6% in April on hopes of a peace deal. *The GBP too dipped lower a consolidation mode after the breakout over the key resistances and now is likely to trade sideways before higher in the interim.*





**USDJPY: 159.35/40: Short Term :Neutral | Medium Term: Positive.
Key Support: 152.38/ 157.53 |Key Resistance: 160.50**

The yen strengthened to around 158.8 per dollar on Thursday, reversing earlier losses as FM Satsuki Katayama said she held close discussions on foreign exchange policy with US Treasury Secretary Scott Bessent, adding that authorities remain prepared to act decisively if necessary. On the monetary policy side, the IMF said the BOJ could look through inflation driven by the Iran conflict, arguing that its impact on underlying price pressures is likely to remain limited and should not disrupt the central bank's gradual tightening trajectory. The yen also drew support from softer oil prices and a weaker US dollar as optimism grew about a potential deal to end the Middle East conflict. Reports suggested Washington and Tehran are considering extending their two-week ceasefire to allow more time for negotiations, even as the Strait of Hormuz remains effectively closed under a dual blockade. *The USD after breaking lower is now consolidating in the range before trend setting/ decisive action is seen later!*



**USDX:98.25/27:Short Term: Neutral | Medium Term: Positive.
Key Support :.96.49 | Key Resistance:100.41/43.**

Strategy: The USDX edged up above 98 on Thursday but remained near the pre-war lows seen in the previous session, as investors grew increasingly optimistic that the US and Iran could soon reach an agreement to end the conflict and reopen the Strait of Hormuz, reducing safe-haven demand. US President Trump said the seven-week conflict was "close to over," while the White House expressed confidence in a potential deal, noting that additional in-person talks could take place in Pakistan. However, Iranian officials signaled that significant differences remain, particularly regarding nuclear issues. Meanwhile, softer crude prices in recent days have helped ease inflation concerns. The Federal Reserve is widely expected to keep interest rates on hold throughout the year, a view reinforced by recent comments from several policymakers, including FED of New York President John Williams. *The USD is now seeing some momentary support at the low of the range. This s is likely to give way to more selling in the near future!*



**Brent: \$98.14/16: Short Term: Neutral | Medium Term: Positive.
Key Support : \$80.00/ \$89.181 Key Resistance: \$124.32.**

Strategy: Brent slipped toward \$98 per barrel on Friday, trimming gains from the previous session after US President Trump voiced optimism about a possible agreement to end the conflict with Iran. He said Tehran had accepted terms that include abandoning ambitions for a nuclear weapon, providing "free oil," and reopening the Strait of Hormuz, though Iranian authorities have yet to confirm the claims. Trump also announced a 10-day ceasefire between Israel and Lebanon, which was confirmed by Israeli PM Benjamin Netanyahu. Meanwhile, the Strait of Hormuz remains effectively closed due to a dual blockade by the US and Iran, keeping markets on edge over further disruptions to global energy flows. Meanwhile, IMF Executive Director Fatih Birol warned that restoring a meaningful portion of disrupted oil and gas output could take up to two years. *Brent's failure to close the "gap" and then fall back lower, suggests that a "top" could have been seen.! Therefore now a gradual breakdown could be witnessed in time!*



**Gold: \$ 4794/97: OZ. Short Term: Positive | Medium Term: Positive
Key Support : \$4275 Key Resistance: \$5000/ \$5595.**

Strategy: Gold held steady near \$4,800 an ounce on Friday and was on track for a fourth consecutive weekly advance, as prospects for a permanent ceasefire agreement between the US and Iran helped ease concerns over inflation and central bank rate hikes. President Trump said Tehran had agreed to terms including abandoning ambitions for a nuclear weapon, supplying "free oil," and reopening the Strait of Hormuz, although Iranian officials have yet to verify these claims. Despite this, the Strait of Hormuz remains effectively closed under a dual blockade, while IMF Executive Director Fatih Birol cautioned that restoring a meaningful portion of disrupted oil and gas output could take up to two years. Gold is set to rise by about 1% this week and remains roughly 17% above its March low.

Gold is now likely to consolidate at the current highs before a new uptrend is triggered!





The Rupee seen strengthening today!

The rupee ended higher against the dollar Thursday as growing hopes of a peace deal between the US and Iran buoyed risk sentiment among investors and weakened the dollar index. However, gains for the Indian unit were limited as oil marketing companies continued to purchase the greenback. After trading in a range of 18 paise during the day, the rupee settled at 93.1950 on Thursday, almost 0.2% higher than 93.3725 on Wednesday. Other Asian currencies gained 0.1-0.3% against the US currency, with the Taiwan dollar being the best performer.

The Rupee started the day on a strong footing as US President Donald Trump Wednesday said the US-Israeli war on Iran was "close to over."

The White House also expressed optimism about a deal, saying more in-person talks would likely take place in Pakistan again. Adding to the optimism, Trump said in a post on Truth Social that direct talks between Israel and Lebanon will take place on Thursday.

The dollar index remained broadly weak, hitting an over six-week low during the day, as hopes of a peace deal with Iran led traders to let go of some safe-haven positions. This also provided support to the Indian unit. However, banks rushed to buy dollars on behalf of oil marketing companies and other importers to make the most of the relatively lower rupee-dollar levels, which weighed on it. The rupee hit an intraday low of 93.3525 per dollar. However, the dollar purchases were not aggressive. Volume in the currency market was subdued, with traders avoiding large bets amid lingering uncertainty over the war in West Asia. Volumes have broadly thinned since the imposition of the RBI's latest foreign exchange market norms.

On Mar. 27, the RBI directed authorized dealers to ensure their net open rupee positions in the onshore market do not exceed \$100 million at the end of each business day, latest by Apr. 10. It issued more

directions on Apr. 1, prohibiting banks from offering rupee non-deliverable derivative contracts to resident or non-resident clients, effective immediately. Crude oil prices rose in the second half of the session, erasing earlier losses, as investors remained uncertain if the peace talks between the US and Iran would achieve a deal to end the war. This weighed on the Indian unit, they said. Brent crude futures for June delivery rose to \$96.17 a barrel after settling at \$94.93 a barrel Wednesday and \$94.79 a barrel Tuesday.

The one-year dollar-rupee forward premium ended higher Thursday as banks bought forward dollars on behalf of importers, noting the rupee's appreciation in the spot market. The one-year exact period dollar-rupee forward premium ended at 3.11%, up from Wednesday's close of 3.06%. On an absolute basis, the premium was 289.55 paise, up from 287.74 paise Wednesday.

The benchmark 10-year bond was quoted at 97.19 rupees, with the yield up 2.22 bps at 6.8884%, as uncertainty over U.S.-Iran talks and caution ahead of fresh debt supply weighed on sentiment. The one-year overnight index swap rate was up 4 basis points at 5.8%, while the five-year swap rate rose 4.5 bps to 6.365%. India's overnight call money rate was at 4.75% and the overnight TREPS rate was at 5%.

Today Indian equity benchmarks, the BSE Sensex and Nifty 50, are likely to see a muted start on April 17, tracking positive cues from GIFT Nifty, which is trading flat at around 24,160.50.

Foreign Institutional Investors (FIIs) remained net buyers for the second consecutive session on April 16, purchasing equities worth ₹382 crore, while Domestic Institutional Investors (DIIs) extended their selling streak, offloading equities worth over ₹3,400 crore.

USD/INR:92.92/94 (NDF).

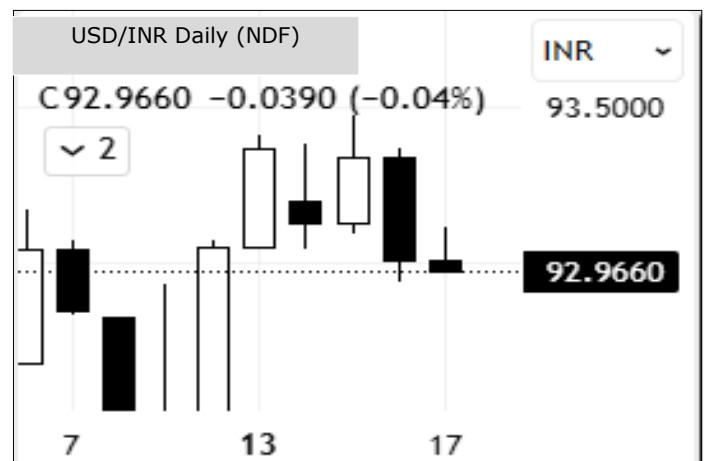
Near Term : Neutral | Medium Term: Neutral.

Key Support: 91.50 / 92.20 | Key Resistance: 93.70/ 94.50

Strategy: The Rupee was stronger at the end of the day and seemed to be emerging from the tensions and fears of the recent past! However at the current times "caution" has become the key word! Exports selling was recommend recently above the 93.20 region for a few months for certain percentages.

Imports for a few months were hedged in the 92.50-80 region last in the recent past. New imports could again tried on dips and in that range! The hedging strategy should be guided by the RM policy and minimally by "views"!

The forward premia is expected to jump today on the back of a stronger Rupee!



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