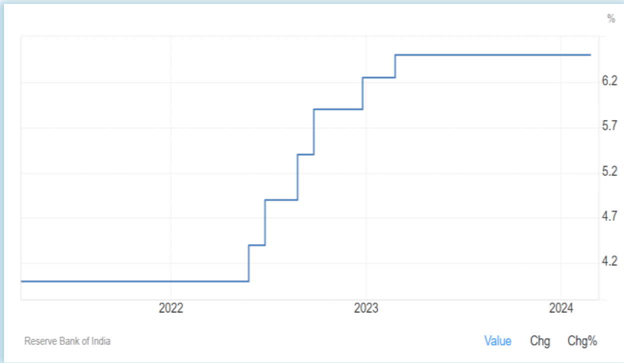
April 02nd, 2024

RBI MONETARY POLICY MEETING PREVIEW - April 03rd to 05th 2024

RECAP

India's Repo Rate



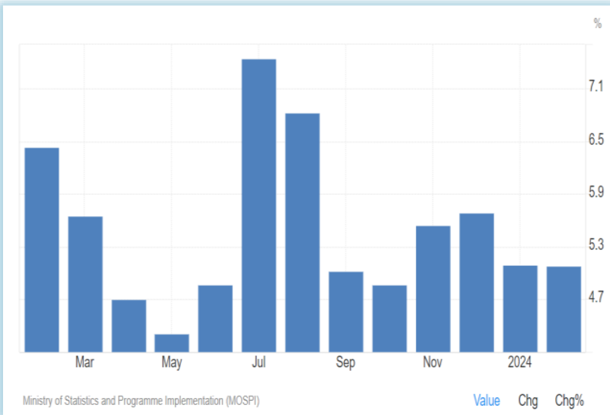
Source: Refinitiv

- ✓ On expected lines, MPC decided to keep repo rate unchanged at 6.50%.
- ✓ MPC also voted by 5 votes to 1 to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.
- ✓ The stance indicates that the MPC is not yet ready to lower the guard against the retail inflation at least until the inflation numbers align with the medium-term target of 4.00%.
- ✓ On the projections, FY25 GDP growth pegged at 7.00%, while FY25 CPI inflation forecast retained at 4.5%.
- ✓ The RBI also added that the Rupee's stability despite strong dollar and elevated US Treasury yields reflects the strength and stability of the Indian economy.

OUTLOOK

SCENARIO 1 (MOST LIKELY)

India's CPI



Source: Refinitiv

- ✓ The RBI's MPC meeting will begin tomorrow with the RBI Governor Shaktikanta Das disclosing its decision on the repo rate on the morning of April 05th.
- ✓ The market and we expect that the central bank will maintain the repo rate unchanged at 6.50%.
- ✓ The central bank will maintain its current approach, aiming to align India's inflation with its target following the recent dovish stance of the US Federal Reserve.
- ✓ The RBI could also revise the GDP and inflation projections.
- ✓ **The Rupee could continue remain range bound.**
- ✓ **The inflation and GDP projections could be a key driver for the Rupee in the short term**.

SCENARIO 2(UNLIKELY and WILL SURPRISE MARKETS)

- ✓ **It is very unlikely that RBI's MPC will change its accommodative stance and cut by 25-bps.**
- ✓ But if happens It will be a surprise to the markets.
- ✓ There will be an increase in volatility in the domestic currency markets.

April 02nd, 2024

RBI MONETARY POLICY MEETING PREVIEW - April 03rd to 05th 2024

Technical Outlook: USDINR (Daily time frame)

Source: Tradingview.com

- ✓ As seen in the above chart, the outlook is positive in the USDINR pair.
- ✓ Having said that, we don't rule out the possibility of a correction from here.
- ✓ The RSI, momentum indicator, around 60, is signalling a strong undertone.
- ✓ The long term 100 days simple moving average is hovering around 83.10 (considered as strong support).
- ✓ For now, a strong floor lies around 83.10 and cap is around 83.50.
- ✓ Considering the chart structure, we recommend going long on every dip in the pair.

April 02nd, 2024

RBI MONETARY POLICY MEETING PREVIEW - April 03rd to 05th 2024

General Disclaimers

As part of regulatory requirement you are required to update your following KYC details with us:
Correspondence Address | Mobile Number | Email Id | Annual Income

To update above details login to your online trading account or send Email/Letter along with the Pan Card copy or visit any of our branches. Kindly quote your client code and PAN while sending the aforesaid KYC update.

General Disclaimers: This document is meant for the customers of Reliance Securities Limited only. In case you are a non-resident, please note that you need to comply with the relevant local laws of the country of your residence, before investing. Mutual Funds and securities investments are subject to market risks, and there is no assurance or guarantee that the objectives of the Scheme will be achieved. As with any investment in securities, the Net Asset Value (NAV) of the Units issued by Mutual Fund Schemes can go up or down depending on the factors and forces affecting the securities market. There are no assurances or guarantees that the objectives of any of the mutual fund schemes will be achieved. The investments may not be suited to all categories of investors. Please read the Scheme Information Document and Statement of Additional Information of the respective mutual fund carefully before investing.

The views herein constitute only the opinions and do not constitute any guidelines or recommendation on any course of action to be followed by the readers. This information is meant for general reading purpose only and is not meant to serve as a professional investment guide for the readers. This document has been prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. Reliance Securities Limited (RSL) or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information.

Due care has been taken to ensure that the disclosures and opinions given fair and reasonable. No action has been solicited based upon the information provided herein, and the information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed investment decision before making any investments.

None of the directors, employees, affiliates or representatives of RSL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information contained in this material. RSL, the directors, employees, affiliates or representatives of RSL, associate companies, affiliates, and representatives including persons involved in the preparation or issuance of this material may from time to time, have long or short positions in, and buy or sell the securities thereof, of company(ies) / specific economic sectors / mutual funds, if mentioned herein.

Risks: Trading and investment in securities are subject market risks. There are no assurances or guarantees that the objectives of any of trading / investment in securities will be achieved. The trades/ investments referred to herein may not be suitable to all categories of traders/investors. The names of securities mentioned herein do not in any manner indicate their prospects or returns. The value securities referred to herein may be adversely affected by the performance or otherwise of the respective issuer companies, changes in the market conditions, micro and macro factors and forces affecting capital markets like interest rate risk, credit risk, liquidity risk and reinvestment risk. Derivative products may also be affected by various risks including but not limited to counter party risk, market risk, valuation risk, liquidity risk and other risks. Besides the price of the underlying asset, volatility, tenor and interest rates may affect the pricing of derivatives.

Disclaimers in respect of jurisdiction: The possession, circulation and/or distribution of this Report may be restricted or regulated in certain jurisdictions by appropriate laws. No action has been or will be taken by RSL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. RSL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to RSL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Disclosure of Interest: The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the securities and their respective issuers. Neither RSL nor the research analysts did have any known direct /indirect conflict of interest including any long/short position(s) in any specific security on which views/opinions have been made, during the preparation of this Report.

Copyright: The copyright in this Report belongs exclusively to RSL. This Report shall only be read by those persons to whom it has been delivered. No reprinting, reproduction, copying, distribution of this Report in any manner whatsoever, in whole or in part, is permitted without the prior express written consent of RSL.

Important these disclaimers, risks and other disclosures must be read in conjunction with the information / opinions / views of which they form part of.

ISO 9001:2015: Reliance Securities Limited (RSL) holds a certificate issued by BSI Management System India Pvt. Ltd to the effect that it operates a Quality Management System that complies with the requirements of ISO 9001:2015 for providing Equity & Equity Derivative trading services through online trading system. Brokerage will not exceed the SEBI prescribed limit. Representations are not indicative of future results. Reliance Securities is a distributor for MF, PMS, Private Equity, IPO, Bonds, NCDs, Corporate FDs, Structured Products, Loan & Realty. Mutual Fund Investments are subject to market risks, read all scheme related documents carefully before investing The securities quoted are exemplary and are not recommendatory. RSL is a IRDA registered Corporate Agent (Composite) RSL has arrangement with RELIANCE NIPPON LIFE INSURANCE COMPANY LIMITED (formerly known as Reliance Life Insurance Company Limited), HDFC LIFE INSURANCE CO LTD, Manipal Cigna Health Insurance Company Limited and Reliance General Insurance Co. Ltd for solicit, procure and service their insurance products. Insurance is subject matter of solicitation. For detailed insurance disclaimer kindly visit https://www.reliancesmartmoney.com/disclaimer .

Registered Office: Reliance Securities Limited, 11th Floor, R Tech Park, Nirlon compound, Off Western express highway, Goregaon East Mumbai 400063. Tel: +91 22 4168 1200, CIN: U65990MH2005PLC154052. SEBI Registration Nos.:- Stock Broker: BSE, NSE, MCX & NCDEX - INZ000172433, Depository Participant: CDSL & NSDL - IN-DP-257-2016, Research Analyst: INH000002384, Investment Advisor: INA000014410. Mutual Funds: AMFI ARN No.29889. IRDA Corporate Agent (Composite) Registration Number: CA0195 (valid till 31-Mar-2022)

reliancesmartmoney.com is a brand under which Reliance Securities Limited offers its broking & investment services.