

05th May

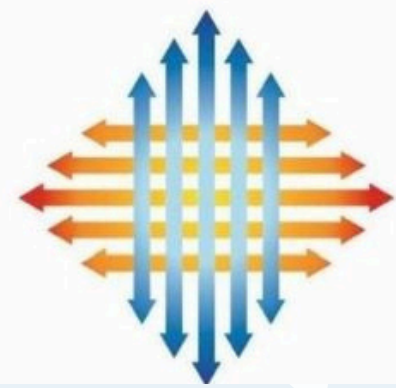
RISK ASSETS RALLY AS TRUMP ADMINISTRATION STANCE SEEN MORE CONSTRUCTIVE THAN CONFRONTATIONAL ON TRADE



SWIPE



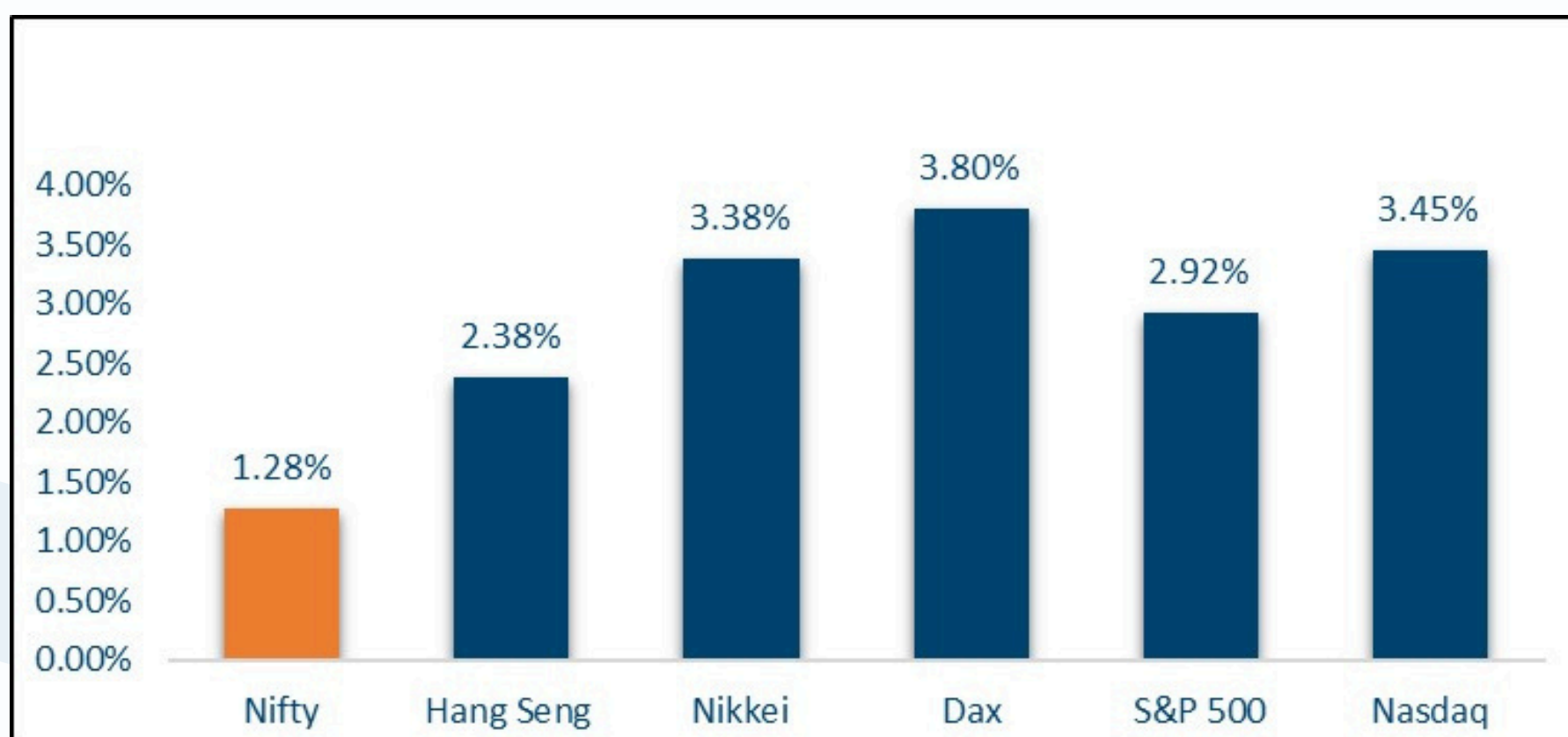
Nifty Vs Global Markets



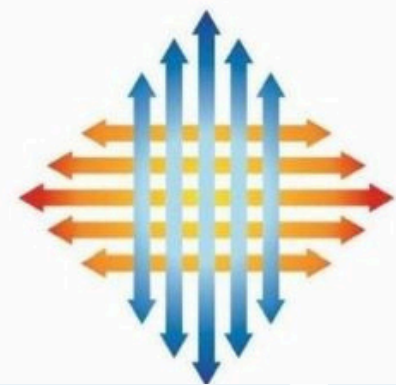
Risk sentiment reversed after early April, following the Trump administration's tariff announcement. Despite weak US Q1 GDP, the **labor market stayed strong**, as April jobs data showed.

Equities and EM currencies rose, while safe havens paused. Markets now see tariffs as a negotiation tactic rather than a confrontational move. An extended timeline and possible (though unconfirmed) push for a weaker dollar supported this shift, reflected in stronger EM and Asian currencies.

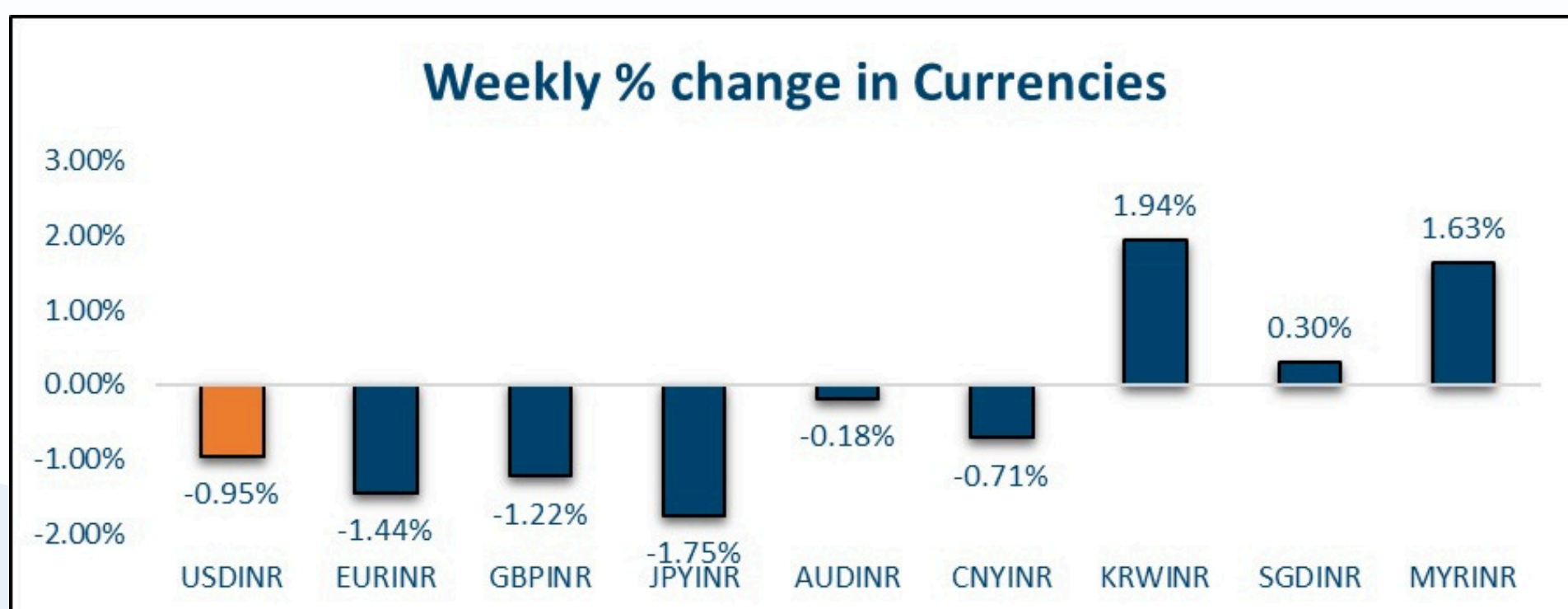
Global equities rallied: S&P 500 +2.8%, Nasdaq +3.4%, Hang Seng +2%, Nikkei +4%.



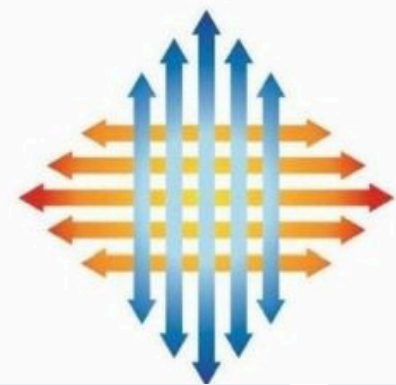
Foreign Exchange



- AUD (+0.6%) and CAD (+0.4%) outperformed among G10, while JPY (-0.9%) and EUR (-0.6%) underperformed.
- Asian and EM currencies gained sharply vs the Dollar.
- Rupee saw its biggest single-day gain in 29 months but still lagged peers; RBI seems open to Rupee appreciation with the Yuan.
- 3M ATMF vol spiked 74bps to 5.57% (highest since Nov '22); 1Y and 5Y forwards rose 13bps to 2.29% and 2.89%.

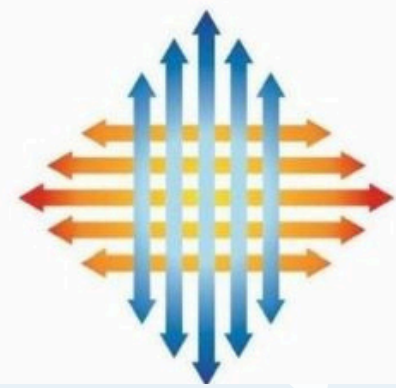


Fixed Income

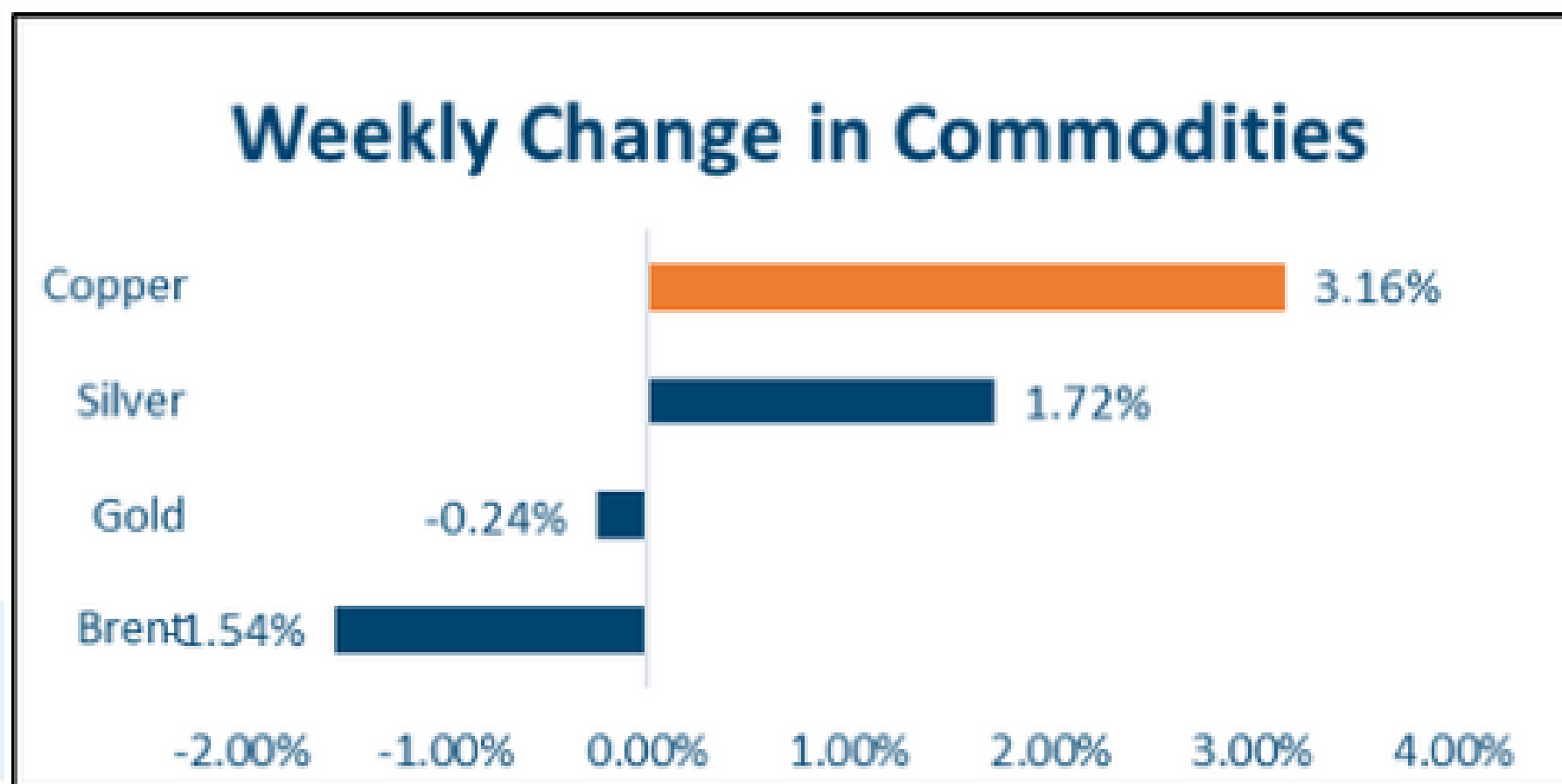


- **US 2y yield rose 13bps to 3.82% while 10y yield rose 10bps to 4.31%**
- **10y Yields in Eurozone and UK were mostly steady**
- **Yield on the old benchmark 10y ended 1bps lower at 6.35%. Cut off on the new 10y benchmark auctioned yesterday came in at 6.33%.**
- **1y and 5y OIS fell 9bps each to 5.63% and 5.59% respectively**

Commodities



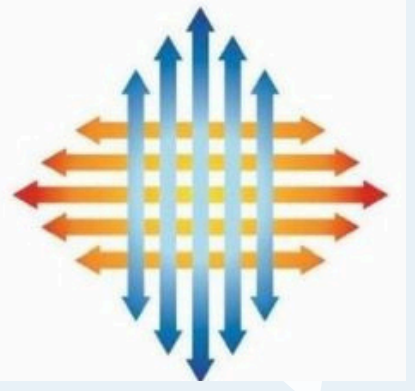
There was a massive sell-off in Brent this week. It plunged 8.3% to USD 61.3 per barrel. Saudi Arabia continues to pump crude at the same pace, despite such low levels, to get noncompliant OPEC members in line and increase market share. Precious metals lost a bit of shine this week, given the risk sentiment. Base metals were flat this week, with LME CopCopper and Aluminum ending at 9365 and 2431, respectively



KEEP SWIPING

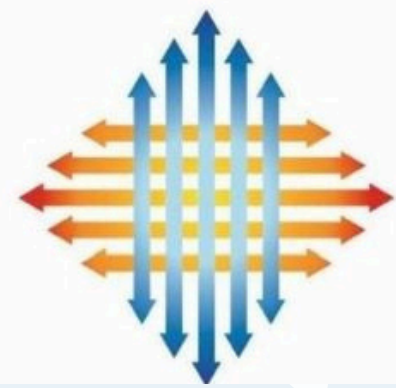
05

IFA's Views: What we like?



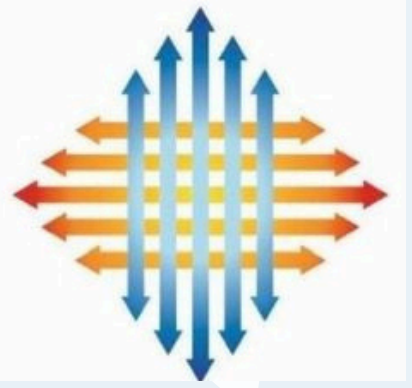
FX: We believe the USDINR pair has likely seen a bottom around 83.65. We had seen the Rupee weaken in NDF itself to 84.58 levels. We expect the volatility to remain elevated under the current regime. Exporters are advised to hedge through participating option structures while importers can look to hedge at current levels

IFA's Views: What we like?

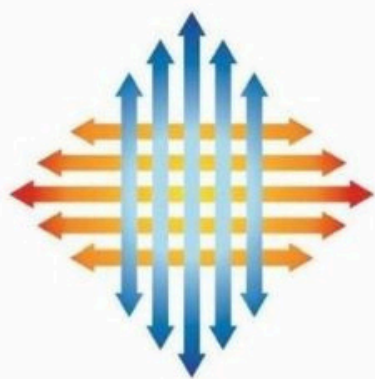


Fixed Income: We expect domestic Bonds to trade sideways with a slight Bullish bias. Lower crude, strong government finances and rate cut expectations should keep the yields suppressed. We could see the yield on the old 10y benchmark dip to 6.25% levels.

Commodities: Focus will be on the OPEC meeting on the 5th of May. We believe a final leg lower in crude prices is possible. That could be a capitulation move. We believe gold and silver could continue to correct further. It now seems to be a crowded trade. However Gold in INR terms could remain supported.



**KEEP FOLLOWING FOR
MORE UPDATES!**



IFATM
GLOBAL

Knowledge Partner You Can Trust

Disclaimer: Information contained in this document is for informational
purposes only

THANKYOU