

# HDFC securities Retail Research

## Currency Daily

5 June 2024



## Currency Movements

Name	Current Price	Previous Close	Change	% Change
USDINR	83.526	83.145	0.381	0.46%
DXY Index	104.15	104.11	0.04	0.04%
EURUSD	1.0885	1.088	0.001	0.06%
GBPUSD	1.2780	1.277	0.001	0.08%
USDJPY	155.40	154.88	0.520	0.34%
USDCNH	7.2531	7.248	0.006	0.08%
US 10 Yr. Yield	4.334	4.326	0.008	0.18%
USDINR 1M FWD	83.60	83.64	-0.04	-0.05%
India 10 Yr. Yield	7.038	6.944	0.094	1.35%

## Global Equity Markets

Name	Current Price	Previous Close	Change	% Change
Nifty	21885	23264	-1379	-5.93%
Sensex	72079	76469	-4390	-5.74%
Hang Seng	18589	18444	145	0.79%
Nikkie	38345	38837	-492	-1.27%
Shanghai	3084	3091	-7	-0.22%
S&P Index	5291	5283	8	0.15%
Dow Jones	38711	38571	140	0.36%
Nasdaq	18655	18601	54	0.29%
FTSE	8232	8263	-31	-0.37%
CAC	7938	7998	-60	-0.75%
DAX	18406	18608	-203	-1.09%

## Market Roundup

- ▶ The Indian rupee is expected to open with a cut following foreign funds selling domestic equities after election results. Indian Prime Minister Narendra Modi will be reelected, but it's unlikely that his alliance secured the overwhelming majority. That means his Bhartiya Janata Party (BJP) will not have free reign to execute its continued push for investment-led growth.
- ▶ On Tuesday, spot USDINR gained 38 paise to 83.53, marking its best single-day percentage gain since February last year. Technically, the pair has resistance at 83.60 and crossing of the same paves the way for 84 while 83.30 becomes the support.
- ▶ The Reserve Bank of India should limit any potential disorderly depreciation in the rupee resulting from the unexpected election result.
- ▶ *Mexico's Bolsa index and India's Nifty 50 index fell 6% following their election news this week, adding uncertainty to markets that were previously trading at all-time highs.*
- ▶ **Forex:**
  - The greenback was marginally up against all its G-10 peers except the Swiss franc and yen
  - The yen supported by Bank of Japan official comments about the impact of a weak yen and earlier reports the central bank is considering trimming the amount of bond purchases at its June meeting.
  - The US bond market advanced as signs of labour market cooling reinforced speculation that the Federal Reserve will be able to cut rates this year.
  - Fed swaps are now pricing in a first cut in November — and higher odds of a September reduction. Despite the dovish bets, stocks struggled to gain much traction as the bad-news-is-good-news narrative failed to entice traders.
- ▶ **Equities:**
  - Asian equities traded mixed while the focus remained on Indian opening. Markets are shifting focus to a slew of labour market readings this week, including Friday's US jobs report, for further clues on when the Fed will deploy rate cuts.
- ▶ **Commodities:**
  - Weakness prevailed in commodities, with gold, silver and copper hitting their lowest levels since early- to mid-May while oil fell to the lowest in about four months.

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