

# HDFC securities Retail Research

## Currency Daily

11 October 2023



## Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.255	83.270	-0.015	-0.02%
DXY Index	105.78	106.04	-0.266	-0.25%
EURUSD	1.0604	1.0581	0.002	0.22%
GBPUSD	1.2292	1.2246	0.005	0.38%
USDJPY	148.74	149.06	-0.320	-0.21%
USDCNH	7.2919	7.2999	-0.008	-0.11%
US 10 Yr. Yield	4.632	4.701	-0.068	-1.46%
USDINR 1M FWD	83.340	83.400	-0.060	-0.07%
India 10 Yr. Yield	7.347	7.381	-0.034	-0.46%

## Global Equity Markets

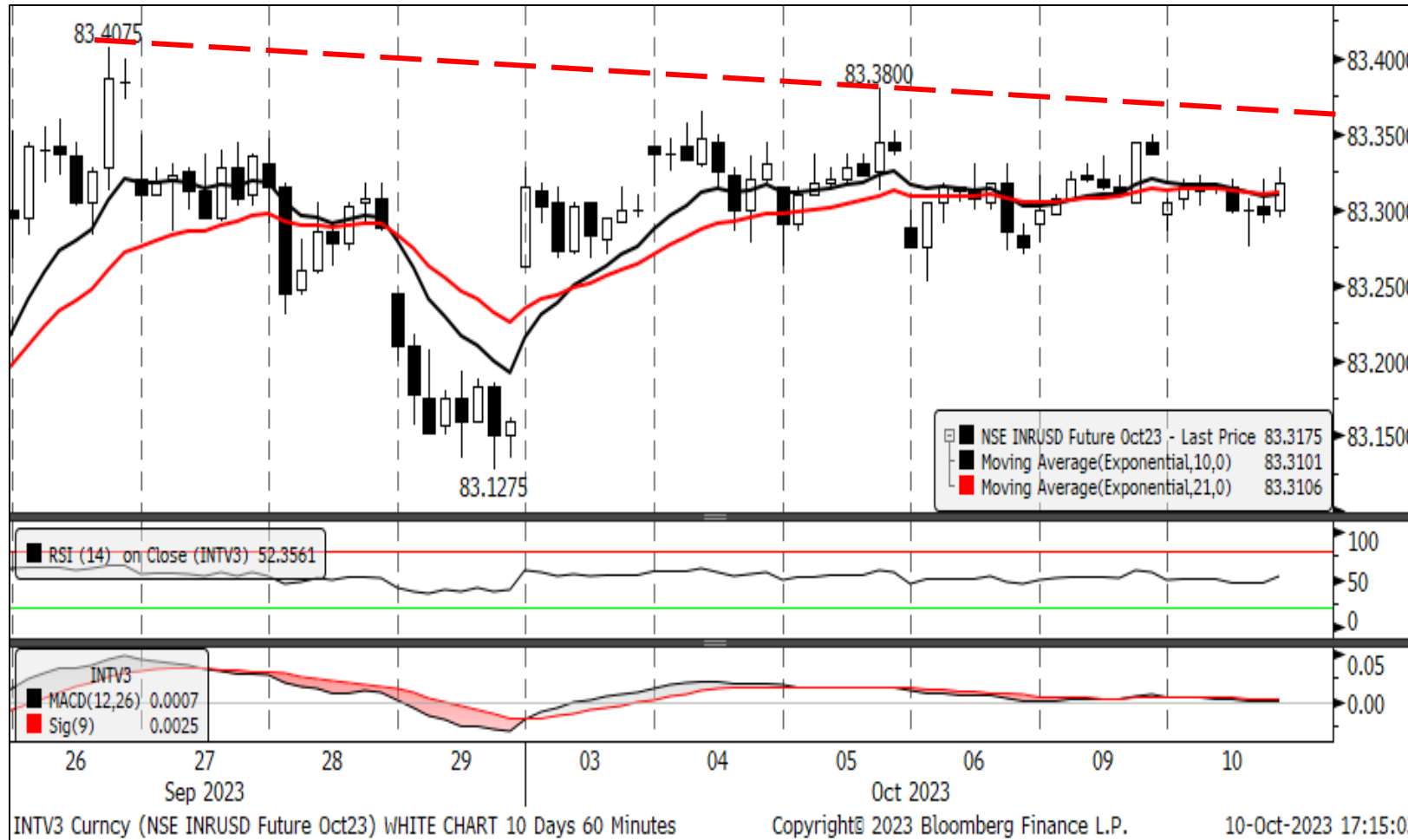
Name	Current Price	Previous Close	Change	% Change
Nifty	19690	19512	178	0.91%
Sensex	66079	65512	567	0.87%
Hang Seng	17943	17665	278	1.57%
Nikkie	31929	31747	182	0.57%
Shanghai	3090	3075	15	0.49%
S&P Index	4358	4336	23	0.52%
Dow Jones	33739	33605	135	0.40%
Nasdaq	15132	15047	84	0.56%
FTSE	7628	7492	136	1.82%
CAC	7162	7021	141	2.01%
DAX	15424	15128	295	1.95%

\* Prev. Close 5pm IST

## Market Roundup

- ▶ The Indian rupee is expected to open slightly higher following lower crude oil prices, higher equities and a decline in the greenback. The expectation of China's stimulus may support the regional currencies and the local rupee. The forward markets suggest spot USDINR could open in the range of 83.21-83.20.
- ▶ Foreign selling of India's stocks slowed in the past week as the nation's benchmark equity index fell and the Indian rupee weakened. The 5-day moving average of net foreign outflows slowed to \$98.2 million, compared with the 20-day average outflows of \$109.6 million, according to data from the Central Depository Services (India) Ltd.
- ▶ On Tuesday, USDINR fell a paise to 83.26 in lacklustre with low volume session. The pair has been hovering near a life high since the start of the month amid central bank interventions and a weaker greenback. The pair has support at 83 and resistance at 83.30.
- ▶ Asian stocks gained to follow Wall Street higher after traders scaled back wagers on Federal Reserve rate hikes, with expectations of further China stimulus helping rekindle risk sentiment.
- ▶ The ICE dollar index fell for a fifth straight daily, its worst such losing streak since July, as Treasury yields slid amid speculation that Federal Reserve officials are signalling a pause to the tightening cycle.
- ▶ Fed Bank of Atlanta President Raphael Bostic reiterated that he doesn't think policymakers need to raise interest rates any further and that policy is restrictive enough to bring inflation back to their 2% goal.
- ▶ Fed Governor Christopher Waller said the US central bank is determined to bring inflation back to its 2% target in a speech that mostly avoided the current state of markets or monetary policy.
- ▶ Elsewhere, oil held onto most of the surge seen earlier this week as the Israel-Hamas war remained contained and Saudi Arabia pledged to help ensure market stability.
- ▶ Investors will be watching for any hints in the September Fed meeting minutes due Wednesday that would suggest the central bank may not follow through with the last hike indicated in its economic projections. Global investors also kept a close eye on geopolitics. President Joe Biden said the US is "surging" military assistance to Israel in the wake of the Palestinian militant group Hamas' surprise attack.

USDINR Oct Futures Hourly Chart



Technical Observations:

- ▶ USDINR Oct fut. has resistance at 83.37, a downward sloping trendline adjoining the previous swing high of 83.41 and 83.38.
- ▶ The pair has been placed well below the short-term moving average of 21 days.
- ▶ Momentum Oscillator, RSI of 14 hours is placed above 50 and flattening indicating sideways trend.
- ▶ MACD has been placed at zero line and stayed below the moving average.
- ▶ Short buildup has been seen as the price fell while the open interest rose.
- ▶ **Short Term Trend: Sideways**
- ▶ **Expected Trading Range: 83.05 to 83.45**
- ▶ **Intraday Recommendation: Sell USDINR Oct. Fut. Below 83.25 SL 83.40 Target 83.05**

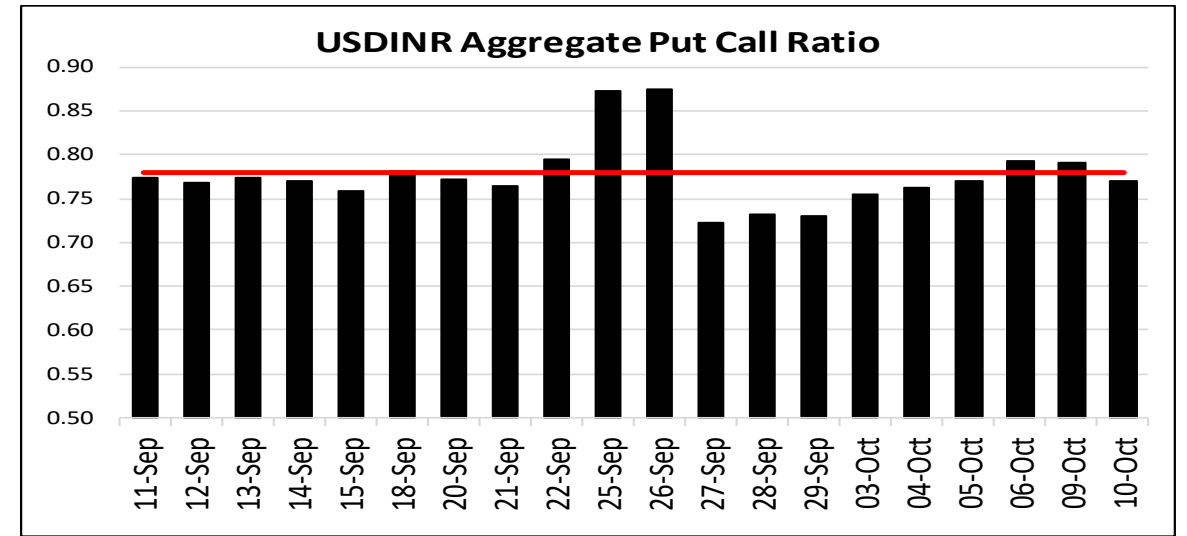
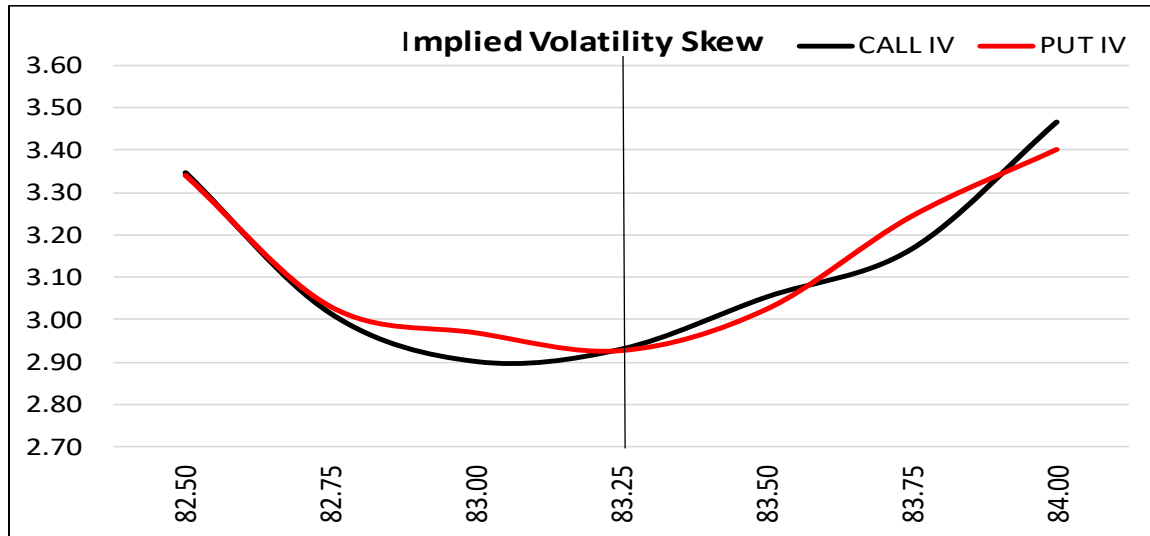
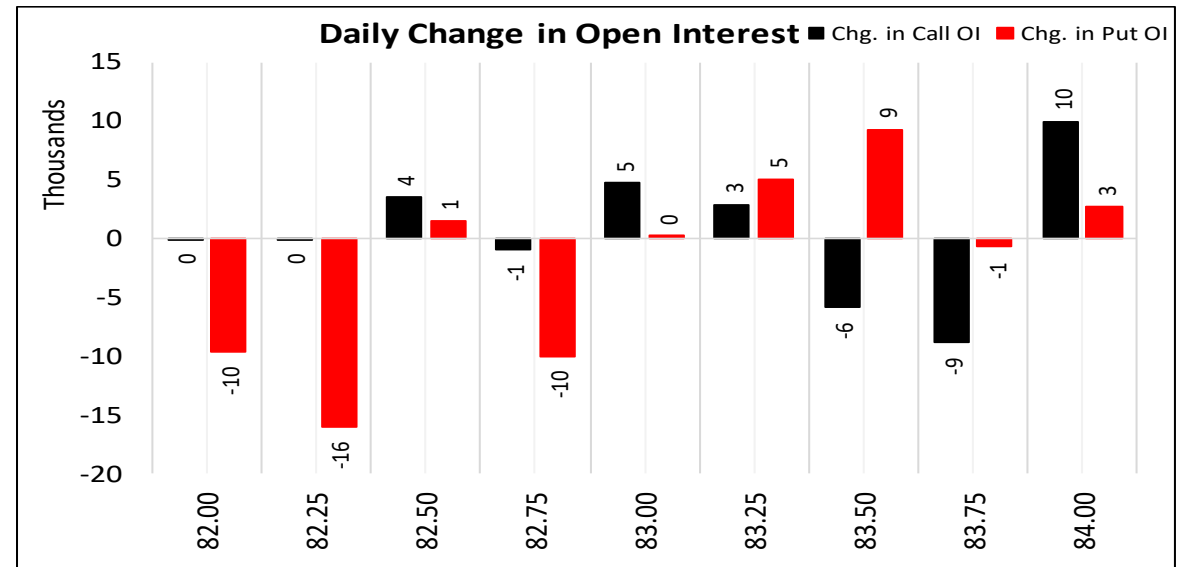
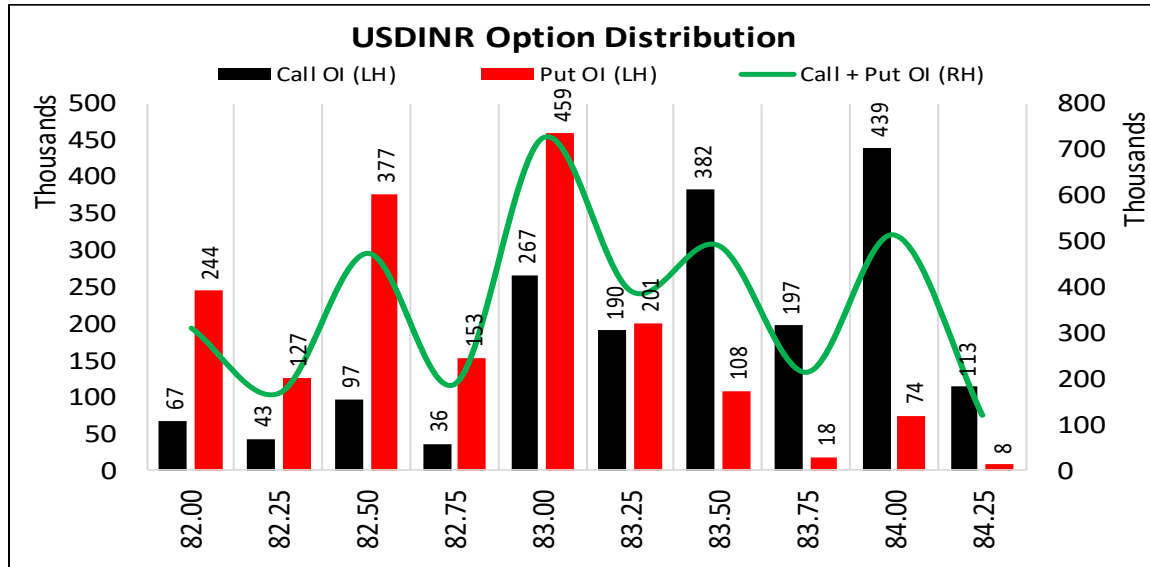
**Currency Derivative Price Actions**

Currency Pair	Open	High	Low	Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Oct Fut	83.3000	83.3275	83.2750	83.3200	-0.03%	5,762,891	4.7%	7,542,461	3.6%	1,742,037	9.1%
EURINR Oct Fut	88.0150	88.4500	88.0150	88.2550	0.45%	117,952	-3.1%	163,784	1.0%	177,396	44.3%
GBPINR Oct Fut	102.0875	102.2900	101.7775	102.0850	0.61%	158,228	-11.6%	212,011	-8.7%	251,241	46.5%
JPYINR Oct Fut	56.2200	56.3125	56.0925	56.1175	0.02%	124,269	-2.4%	147,809	-1.7%	60,234	168.4%
EURUSD Oct Fut	1.0585	1.0618	1.0566	1.0594	0.46%	1,734	-40.9%	2,247	-34.8%	1,793	150.8%
GBPUSD Oct Fut	1.2237	1.2274	1.2225	1.2260	0.65%	800	7.2%	806	7.2%	86	72.0%
USDJPY Oct Fut	148.30	148.45	148.00	148.38	-0.03%	1,481	-0.1%	1,481	-0.1%	131	-33.5%

**Technical Levels**

Currency Pair	Close	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA	RSI
USDINR Oct Fut	83.32	83.31	83.20	83.26	83.29	83.34	83.36	83.41	83.32	83.26	54.96
EURINR Oct Fut	88.26	88.24	87.37	87.81	88.03	88.47	88.68	89.11	87.90	88.51	43.19
GBPINR Oct Fut	102.09	102.05	101.03	101.54	101.81	102.32	102.56	103.08	101.52	102.28	44.78
JPYINR Oct Fut	56.12	56.17	55.73	55.95	56.04	56.26	56.39	56.61	56.15	56.47	32.98
EURUSD Oct Fut	1.0594	1.0593	1.0489	1.0541	1.0567	1.0619	1.0645	1.0697	1.0554	1.0634	42.43
GBPUSD Oct Fut	1.2260	1.2253	1.2155	1.2204	1.2232	1.2281	1.2302	1.2351	1.2183	1.2280	44.75
USDJPY Oct Fut	148.38	148.28	147.38	147.83	148.10	148.55	148.73	149.18	148.35	147.53	65.30

USDINR Oct Month Option Charts



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