

HDFC securities Retail Research

Currency Daily

13 June 2024



Currency Movements

Name	Current Price	Previous Close	Change	% Change
USDINR	83.544	83.570	-0.026	-0.03%
DXY Index	104.70	104.65	0.06	0.05%
EURUSD	1.0811	1.081	0.000	0.02%
GBPUSD	1.2793	1.280	0.000	-0.04%
USDJPY	156.75	156.72	0.030	0.02%
USDCNH	7.2616	7.263	-0.001	-0.02%
US 10 Yr. Yield	4.308	4.316	-0.008	-0.18%
USDINR 1M FWD	83.58	83.60	-0.02	-0.02%
India 10 Yr. Yield	7.012	7.014	-0.002	-0.03%

Global Equity Markets

Name	Current Price	Previous Close	Change	% Change
Nifty	23323	23265	58	0.25%
Sensex	76607	76457	150	0.20%
Hang Seng	17938	18176	-239	-1.31%
Nikkie	38977	38877	100	0.26%
Shanghai	3037	3028	9	0.31%
S&P Index	5421	5375	46	0.85%
Dow Jones	38712	38747	-35	-0.09%
Nasdaq	19465	19210	255	1.33%
FTSE	8215	8148	68	0.83%
CAC	7865	7789	75	0.97%
DAX	18631	18370	261	1.42%

Market Roundup

- ▶ Cooling inflation triggered a risk-on tone across markets. The Indian rupee is expected to open slightly higher tracking strength in the Asian currencies post-FOMC rate decision. The better-than-expected Industrial output data and cooling inflation could further support the rupee and bonds.
- ▶ Technical setup remains bullish for the USDINR with resistance placed in the area of 83.60 to 83.80 while support around 83.30.
- ▶ Consumer price index (CPI)-based retail inflation fell to 4.75% in May, down from 4.83% in April and the lowest in a year. India's factory output rose 5% in April, marking a steady climb from 4.9% in March and 5.6% in February.
- ▶ *The Bank of Japan starts its two-day policy meeting with a decision due on Friday. While authorities are expected to keep rates on hold, they are widely seen to consider reducing bond purchases.*
- ▶ **Forex:**
 - The dollar trimmed a loss after FOMC adjusted its dot plot to just one cut this year from three prior, boosting its inflation and interest-rate forecasts. The Federal Reserve left the funds rate on hold at 5.25-5.5% and policymakers' median projection for the number of cuts this year fell to just one, from three in March. The greenback was down the most in a month earlier in the session after consumer inflation fell more than expected in May.
 - Asian currencies were firm on Thursday against a dollar knocked by softer-than-expected U.S. inflation, save for the yen which remained squeezed ahead of a Bank of Japan meeting and as U.S. policymakers signalled rates would be kept high for a while yet.
- ▶ **Equities:**
 - Asian stocks tracked US peers higher as the Federal Reserve's cautious outlook on interest rates did little to alter Wall Street's bets on cuts.
- ▶ **Commodities:**
 - In commodities, the prospect of easing monetary policy saw base metals push higher. Gold managed to end the session higher after the Fed kept interest rates unchanged but signalled only one rate is likely this year. Crude oil gained overshadow a relatively bearish EIA inventory report.

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