

HDFC securities Retail Research

Currency Daily

4 June 2024



Currency Movements

Name	Current Price	Previous Close	Change	% Change
USDINR	83.145	83.465	-0.320	-0.38%
DXY Index	104.09	104.14	-0.05	-0.05%
EURUSD	1.0908	1.090	0.000	0.04%
GBPUSD	1.2806	1.281	0.000	-0.02%
USDJPY	156.46	156.08	0.380	0.24%
USDCNH	7.2558	7.252	0.004	0.06%
US 10 Yr. Yield	4.406	4.388	0.018	0.40%
USDINR 1M FWD	83.18	83.17	0.01	0.01%
India 10 Yr. Yield	6.944	6.981	-0.037	-0.53%

Global Equity Markets

Name	Current Price	Previous Close	Change	% Change
Nifty	23264	22531	733	3.25%
Sensex	76469	73961	2507	3.39%
Hang Seng	18445	18403	42	0.23%
Nikkei	38641	38923	-282	-0.73%
Shanghai	3066	3078	-12	-0.39%
S&P Index	5283	5278	6	0.11%
Dow Jones	38571	38686	-115	-0.30%
Nasdaq	18601	18537	64	0.35%
FTSE	8263	8275	-13	-0.15%
CAC	7998	7993	5	0.06%
DAX	18608	18498	110	0.60%

Market Roundup

- ▶ The rupee is expected to open slightly higher following the weaker greenback and foreign fund inflows. The lower crude oil prices may also support the rupee. However, the central bank's intervention could limit the gains. The NSE Nifty 50 Index rallied 3.3%, its biggest surge in over three years, while the rupee was the second-best performing currency in Asia on Monday.
- ▶ On Monday, the Indian rupee gained 32 paise to 83.14 after making a high of 82.99 in the open. Bonds also gained with benchmark yields dropping to their lowest in two years.
- ▶ Spot USDINR has support at 83 and breaking the same will pave the way for 82.70 while 83.30 will act as near-term resistance on the higher side.
- ▶ *India will announce election results on Tuesday, the Election Commission of India will begin counting votes at 8 am local time.*
- ▶ **Forex:**
 - The dollar fell against all but one of its G-10 peers amid lower yields after a report showed factory activity fell at a faster clip in May, with an index of new orders dropping the most in nearly two years. The US Treasury 10-year yield is down by nine basis points to 4.41%; the US 2-year yield falls five basis points.
 - US S&P Global revealed that Manufacturing PMI for May increased from 50 to 51.3, exceeding estimates of 50.9. The ISM Manufacturing PMI contracted further, from 49.2 to 48.7.
 - Traders are currently pricing about a 59% chance of a rate cut in September, according to the CME FedWatch Tool.
- ▶ **Equities:**
 - Asian markets could be in for a choppy ride on Tuesday, with investors unsure whether to interpret Monday's steep fall in U.S. Treasury yields and the dollar as an encouraging sign for risky assets or a warning that growth is evaporating.
- ▶ **Commodities:**
 - In commodities, Oil prices dropped by over \$2 per barrel to reach multi-month lows, fueled by investor concerns regarding the demand trajectory. The complex OPEC+ output decision signalled a willingness among member countries to increase crude exports.

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