

HDFC securities Retail Research

Currency Daily

21 December 2023



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.179	83.184	-0.005	-0.01%
DXY Index	102.30	102.38	-0.079	-0.08%
EURUSD	1.0953	1.0942	0.001	0.10%
GBPUSD	1.2642	1.2654	-0.001	-0.09%
USDJPY	142.82	143.42	-0.600	-0.42%
USDCNH	7.1438	7.1448	-0.001	-0.01%
US 10 Yr. Yield	3.851	3.886	-0.035	-0.91%
USDINR 1M FWD	83.260	83.290	-0.030	-0.04%
India 10 Yr. Yield	7.168	7.174	-0.006	-0.08%

Global Equity Markets

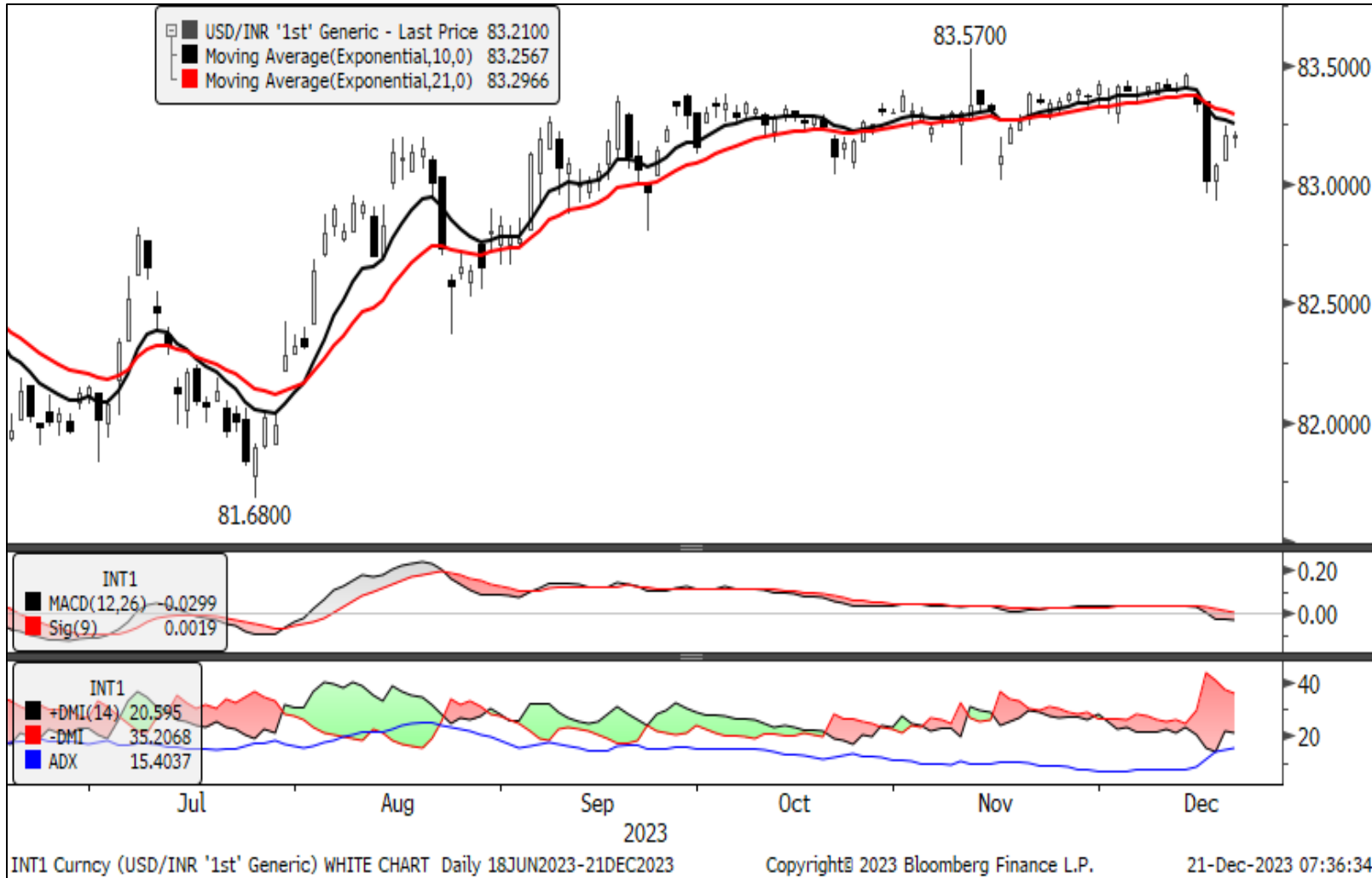
Name	Current Price	Previous Close	Change	% Change
Nifty	21150	21453	-303	-1.41%
Sensex	70506	71437	-931	-1.30%
Hang Seng	16496	16614	-118	-0.71%
Nikkie	33176	33676	-500	-1.49%
Shanghai	2901	2902	-1	-0.05%
S&P Index	4698	4768	-70	-1.47%
Dow Jones	37082	37558	-476	-1.27%
Nasdaq	16554	16812	-258	-1.53%
FTSE	7716	7638	78	1.02%
CAC	7583	7575	9	0.12%
DAX	16733	16744	-11	-0.07%

* Prev. Close 5pm IST

Market Roundup

- ▶ The Indian rupee is expected to open slightly higher following a decline in the greenback and US treasury. The dollar edged lower as traders continued to weigh comments of Federal Reserve officials for clues on the timing of interest rate cuts next year.
- ▶ The implied opening from the forwards suggests the spot USDINR opening at 83.15 from 83.18.
- ▶ On Wednesday, spot USDINR ended at 83.18, unchanged from the previous day. The pair recouped the opening loss following risk-averse moods and recovery in the crude oil prices.
- ▶ Technically, spot USDINR recovered in the past three days but remained below short-term moving averages. It has support at 83.05 and resistance at 83.30. The bias remains bearish as long as it trades below 83.30.
- ▶ The S&P 500's slump in late US trading will likely crimp any gains in Asia headed into the holidays. Stocks failed to gain despite positive news on consumer confidence and existing home sales, raising concern that the rally is running out of steam. Elsewhere, oil found support as concerns over disruptions to tanker traffic through the Red Sea. That's likely to continue, meaning natural gas prices will remain volatile.
- ▶ Federal Reserve Bank of Philadelphia President Patrick Harker said the central bank should begin to reduce interest rates — though not immediately. “We don't have to do it too fast, and we're not going to do it right away,” Harker said.

USDINR Dec Futures Daily Chart



Technical Observations:

- ▶ USDINR Dec. future retraced to 10 DEMA and clawback Friday's losses.
- ▶ The pair formed a doji candlestick pattern indicating indecisiveness among traders.
- ▶ Momentum Oscillator, RSI of 14 days turned down and weakened below 50 on the daily chart.
- ▶ MACD has been placed below the zero line and is weakening.
- ▶ DMI is heading north and the gap between -DI and +DI is widening, exhibiting a bearish trend.
- ▶ **Short Term Trend: Bearish**
- ▶ **Expected Trading Range: 83.00 to 83.30**
- ▶ **Short Term Recommendation: Sell USDINR Dec. Fut. at 83.25/83.30 SL 83.36 Target 83.05**

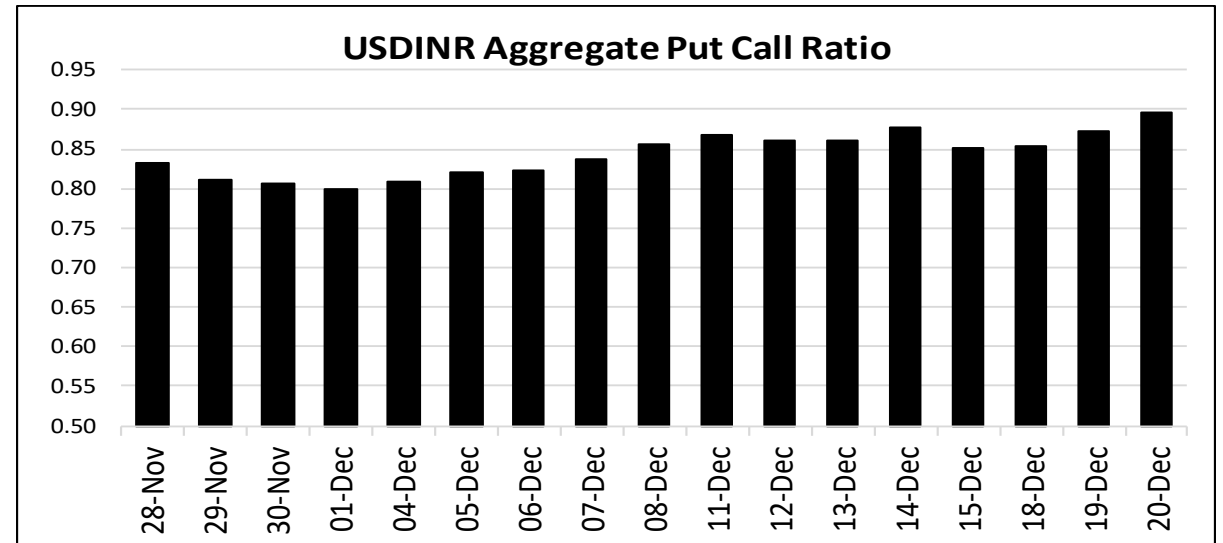
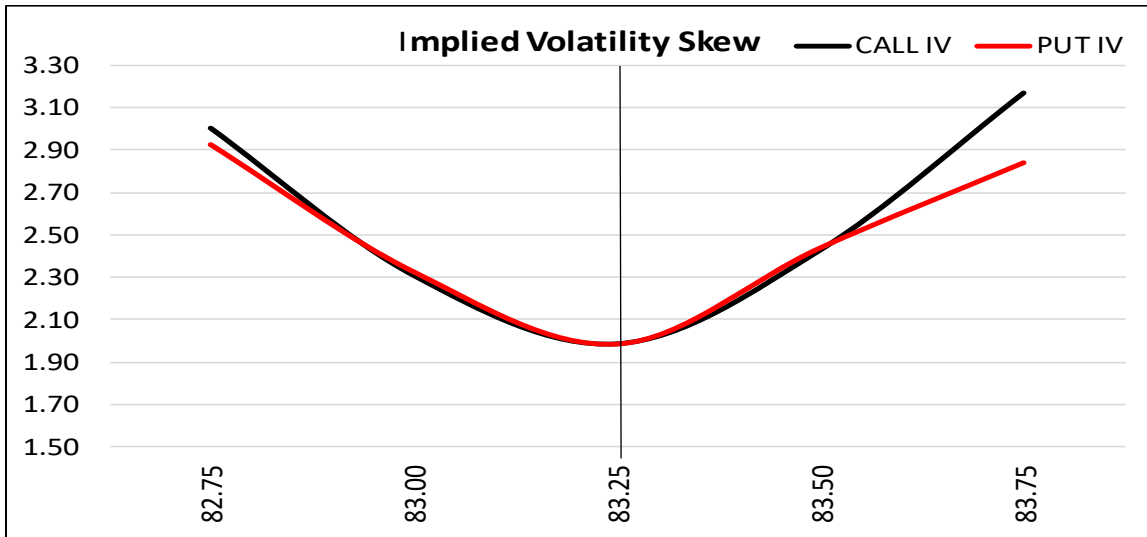
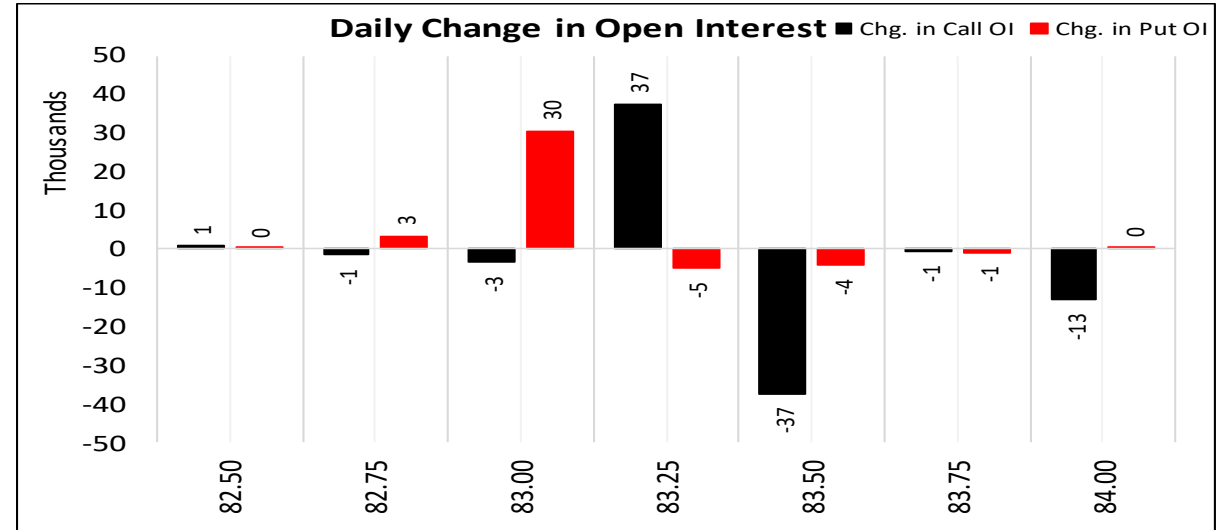
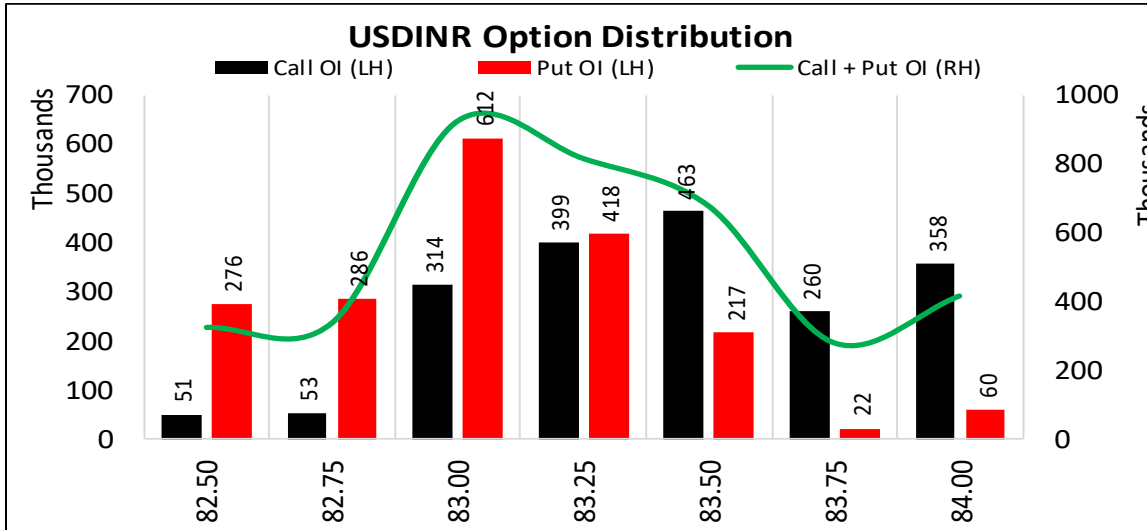
Currency Derivative Price Actions

Currency Pair	Open	High	Low	Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Dec Fut	83.2000	83.2200	83.1475	83.2100	0.00%	3,691,473	-5.6%	5,844,297	-0.7%	1,335,477	-9.1%
EURINR Dec Fut	91.2275	91.2525	91.0000	91.0625	0.07%	160,957	-1.7%	324,861	6.7%	125,835	-2.1%
GBPINR Dec Fut	105.7025	105.7975	105.1850	105.2825	-0.34%	189,756	-9.0%	314,002	-6.8%	188,284	6.4%
JPYINR Dec Fut	57.9700	58.1425	57.8725	58.1200	0.92%	54,291	-17.6%	93,441	-13.6%	116,056	-53.7%
EURUSD Dec Fut	1.0970	1.0970	1.0949	1.0940	0.03%	1,045	-4.4%	8,335	228.8%	90	350.0%
GBPUSD Dec Fut	1.2713	1.2721	1.2654	1.2656	-0.38%	511	4.9%	1,954	195.2%	607	911.7%
USDJPY Dec Fut	143.69	143.69	143.19	143.22	-0.90%	434	-6.1%	686	-3.8%	98	-97.0%

Technical Levels

Currency Pair	Close	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA	RSI
USDINR Dec Fut	83.21	83.19	83.05	83.12	83.17	83.24	83.27	83.34	83.17	83.35	42.83
EURINR Dec Fut	91.06	91.11	90.60	90.85	90.96	91.21	91.36	91.61	90.96	90.71	59.43
GBPINR Dec Fut	105.28	105.42	104.20	104.81	105.05	105.66	106.03	106.65	105.53	105.18	56.50
JPYINR Dec Fut	58.12	58.05	57.51	57.78	57.95	58.22	58.32	58.59	58.34	57.27	58.00
EURUSD Dec Fut	1.0940	1.0953	1.0911	1.0932	1.0936	1.0957	1.0974	1.0995	1.0938	1.0858	60.52
GBPUSD Dec Fut	1.2656	1.2677	1.2543	1.2610	1.2633	1.2700	1.2744	1.2811	1.2687	1.2618	57.52
USDJPY Dec Fut	143.22	143.37	142.37	142.87	143.04	143.54	143.87	144.37	142.71	145.74	40.15

USDINR Dec Month Option Charts



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HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

For grievance redressal contact Customer Care Team Email: customer-care@hdfcsec.com Phone: (022) 3901 9400

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