

# HDFC securities Retail Research

## Currency Daily

10 May 2024



## Currency Movements

Name	Current Price	Previous Close	Change	% Change
USDINR	83.510	83.518	-0.007	-0.01%
DXY Index	105.32	105.23	0.10	0.09%
EURUSD	1.0776	1.078	-0.001	-0.06%
GBPUSD	1.2516	1.252	-0.001	-0.06%
USDJPY	155.72	155.48	0.240	0.15%
USDCNH	7.2296	7.222	0.007	0.10%
US 10 Yr. Yield	4.459	4.453	0.006	0.13%
USDINR 1M FWD	83.56	83.56	0.00	0.00%
India 10 Yr. Yield	7.132	7.134	-0.002	-0.03%

## Global Equity Markets

Name	Current Price	Previous Close	Change	% Change
Nifty	21958	22303	-345	-1.55%
Sensex	72404	73466	-1062	-1.45%
Hang Seng	18729	18538	191	1.03%
Nikkie	38297	38074	223	0.58%
Shanghai	3141	3154	-13	-0.42%
S&P Index	5214	5188	26	0.51%
Dow Jones	39388	39056	331	0.85%
Nasdaq	18113	18085	28	0.16%
FTSE	8381	8354	27	0.33%
CAC	8188	8131	56	0.69%
DAX	18687	18498	188	1.02%

## Market Roundup

- ▶ Bad news is good news for US stocks with the S&P 500 rising to its highest level in a month after initial applications for US unemployment benefits rose. The greenback and treasury retraced back on Thursday. Back home, the rupee is expected to open slightly higher following risk-on sentiments and a weaker dollar. Implied opening from forwards suggests the spot may start trading around 83.48.
- ▶ On Thursday, the spot USDINR again ended on a flat note. The sentiment is favourable for the dollar bulls, but we could see some relief in the near term. Technically, the pair has support at 83.30 and resistance at 83.60.
- ▶ India bought back 105.1 billion rupees (\$1.3 billion) of bonds on Thursday, lower than the 400 billion rupee plan. 10-year yields little changed at 7.13% on Thursday.
- ▶ Meanwhile, traders will keep an eye on the release of March industrial output data, which is expected to reveal a 5.1% growth, providing fresh insights into the health of the Indian economy in the backdrop of ongoing elections and mixed earnings season.
- ▶ **Forex:**
  - The DXY weakened overnight, and the yen's attempt at a comeback against the US dollar fell short. Rate differentials will continue to dominate the pair and there is still no convincing evidence that the yen's fortunes have turned.
  - Asian currencies may see limited impact from headlines on US-China tensions, as investors have been anticipating the tariffs.
- ▶ **Equities:**
  - Asian equities may end the week on an optimistic note after a close above 5,200 on the S&P 500. Markets are trading on the premise that dismal economic data fuels risk assets because it buoys expectations of Fed accommodation. Recent figures from the US show a softening in activity, although the inflation trajectory will ultimately dictate the next moves.
- ▶ **Commodities:**
  - Oil prices rose, continuing upwards trend on the signs of improving economy in China and as negotiations to halt hostilities in the stand-off between Israel and Hamas yielded no results.

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