

HDFC securities Retail Research

Currency Daily

12 August 2024



Currency Movements

Name	Current Price	Previous Close	Change	% Change
USDINR	83.956	83.964	-0.007	-0.01%
DXY Index	103.18	103.14	0.05	0.04%
EURUSD	1.0917	1.092	0.000	0.00%
GBPUSD	1.2761	1.276	0.000	0.00%
USDJPY	146.92	146.61	0.310	0.21%
USDCNH	7.1797	7.174	0.005	0.07%
US 10 Yr. Yield	3.940	3.988	-0.048	-1.20%
USDINR 1M FWD	84.03	84.03	0.00	0.00%
India 10 Yr. Yield	6.882	6.878	0.004	0.06%

Global Equity Markets

Name	Current Price	Previous Close	Change	% Change
Nifty	24368	24117	251	1.04%
Sensex	79706	78886	820	1.04%
Hang Seng	17098	17090	8	0.05%
Nikkie	35025	34831	194	0.56%
Shanghai	2863	2862	0	0.01%
S&P Index	5344	5319	25	0.47%
Dow Jones	39498	39446	51	0.13%
Nasdaq	18513	18414	99	0.54%
FTSE	8168	8145	23	0.28%
CAC	7270	7247	22	0.31%
DAX	17723	17680	42	0.24%

Market Roundup

- ▶ The Indian rupee is expected to start steady following Asian currencies. The focus will be on today's inflation and output data, scheduled later today. Spot USDINR settled at 83.956 with a weekly loss of 0.24%, marking the sixth consecutive weekly decline in the trot. Technically, the pair has support at 83.70 and resistance at 84.10.
- ▶ India recorded the second-highest net foreign outflow last week at -\$1.48b. Foreign investors net sold through the week except on Friday when they net bought \$62.1m. The Reserve Bank of India (RBI) maintained its rates unchanged for the ninth consecutive meeting. Its tone remained hawkish, as Governor Shaktikanta Das warned against complacency due to declining core inflation. He also urged lenders to carefully monitor the quality of loans to avoid systemic risks as the county continues to see high growth in certain segments of retail loans.
- ▶ **Forex:**
 - The DXY rose and was last seen around 103.18 as the greenback stabilised without strong market cues. The UST market saw profit-taking activities with benchmark 10-year yield closing the review week higher at 3.94% (prior week: 3.79%) as investors deemed the fears of an economic recession kindled by the weaker-than-expected July jobs report were exaggerated.
 - The depreciation was due to a more dovish tone by Fed officials, heightening the expectations for a Fed rate cut soon. Renewed concerns about recession risks in the U.S. further supported it.
 - The CME FedWatch Tool indicates that the Fed will slash its rates during the Sep-24 meeting. There is a 51.0% probability of a 25bps cut and a 49.0% probability of a 50bps cut.
 - The rapid carry-trade unwinding had paused much of last week since the release of the US Jul ISM services which turned out stronger and comparatively dovish comments by current/former BoJ officials/summary of opinions.

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