

HDFC securities Retail Research

Currency Daily

13 December 2023



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.388	83.391	-0.004	0.00%
DXY Index	103.86	103.75	0.113	0.11%
EURUSD	1.0789	1.0799	-0.001	-0.09%
GBPUSD	1.2556	1.2568	-0.001	-0.10%
USDJPY	145.47	145.21	0.260	0.18%
USDCNH	7.1946	7.1813	0.013	0.19%
US 10 Yr. Yield	4.195	4.191	0.004	0.09%
USDINR 1M FWD	83.480	83.450	0.030	0.04%
India 10 Yr. Yield	7.274	7.283	-0.009	-0.12%

Global Equity Markets

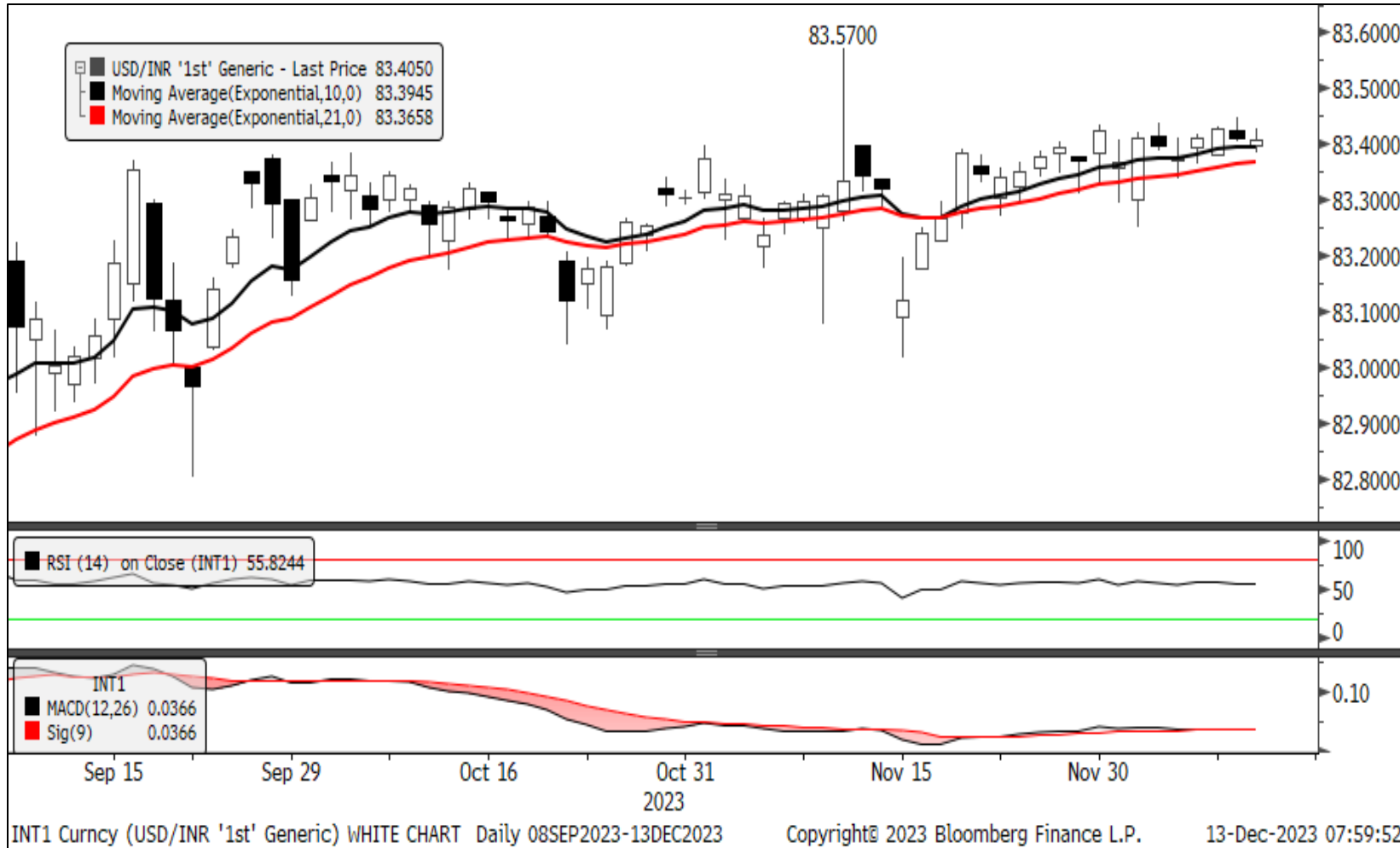
Name	Current Price	Previous Close	Change	% Change
Nifty	20906	20997	-91	-0.43%
Sensex	69551	69929	-378	-0.54%
Hang Seng	16264	16375	-111	-0.68%
Nikkie	33007	32844	163	0.50%
Shanghai	2989	3003	-15	-0.49%
S&P Index	4644	4622	21	0.46%
Dow Jones	36578	36405	173	0.48%
Nasdaq	16354	16222	133	0.82%
FTSE	7543	7545	-2	-0.03%
CAC	7544	7552	-8	-0.11%
DAX	16792	16794	-3	-0.02%

* Prev. Close 5pm IST

Market Roundup

- ▶ The Indian rupee and bonds may get a boost from CPI inflation that accelerated less than market expectations, driven primarily by food price rises. Implied opening from forwards suggest spot may start trading around 83.41
- ▶ On Tuesday, spot USDINR closed flat at 83.3875 while India's 10-year yields were little changed at 7.27%. The pair is expected to trade within a narrow range of 83.25 to 83.50 amid the central bank's two-way interventions.
- ▶ India's inflation quickened for the first time in four months, while manufacturing production surged more than forecast, giving the central bank reason to keep interest rates higher for longer. The consumer price index rose 5.55% in November from a year earlier, slightly lower than economists expectations of 5.78%. Separately, the government also released figures showing growth in factory output accelerated to a 16-month high of 11.7% in October, adding to the economy's strong outlook.
- ▶ On Tuesday, the US stocks rose and Treasuries were mixed. The consumer price index ticked up in November after being little changed in October. The dollar slid but finished above its session lows. Risk assets are poised to remain in a holding pattern, awaiting much-needed clarity from the Federal Reserve later tonight. Tuesday's US inflation data failed to validate the market's anticipation of an assertive push towards interest rate cuts by the Fed. An uptick of 0.3% m/m in core CPI (versus 0.2% prior) will compel the central bank to maintain a hawkish hold.
- ▶ With the Fed widely expected to keep its target rate range steady for the third straight meeting at 5.25% to 5.5%, traders will carefully scrutinize any signals from Powell on the path for policy and the update to the central bank's quarterly forecasts.
- ▶ Meanwhile, Treasury Secretary Janet Yellen said she doesn't believe the "last mile" in returning inflation to the Fed's 2% goal will be especially difficult. Crude futures cratered as signs of robust supplies piled up.

USDINR Dec Futures Daily Chart



Technical Observations:

- ▶ USDINR Dec future formed a gravestone doji candlestick pattern, which implies a bearishness.
- ▶ However, the pair is steady above the short-term moving average of 10 days.
- ▶ Momentum Oscillator, RSI of 14 days period is almost flat and is placed above 50 on the daily chart.
- ▶ MACD has been placed above a zero line with a flattish note.
- ▶ Long unwinding has been seen as price and open interest fell.
- ▶ **Short Term Trend: Neutral/sideways**
- ▶ **Expected Trading Range: 83.30 to 83.50**
- ▶ **Intraday Recommendation: Sell USDINR Dec. Fut. at 83.45/83.48 SL 83.53 Target 83.32**

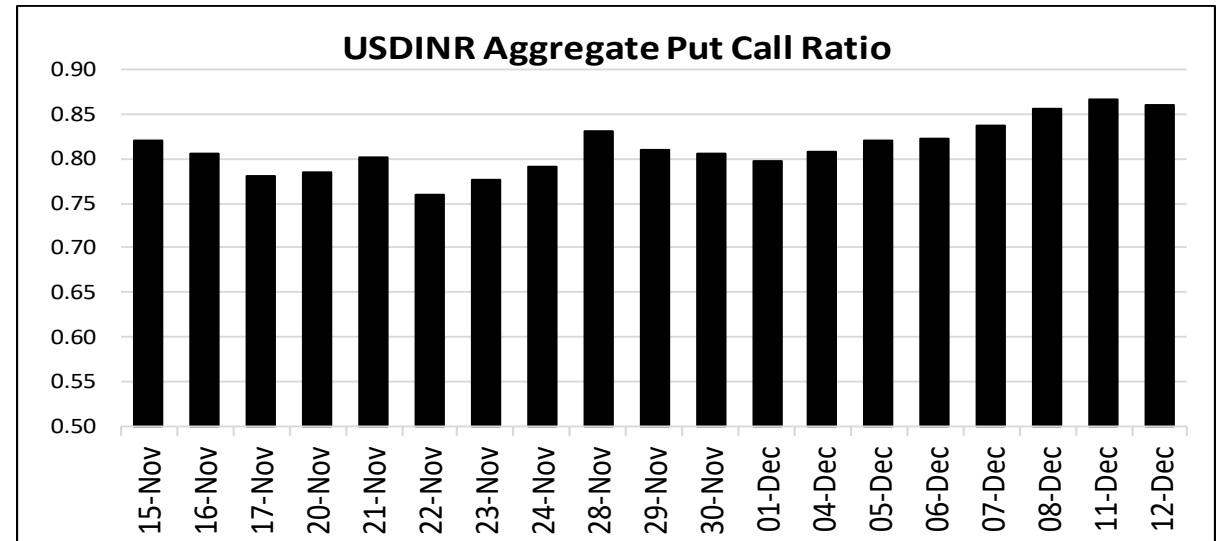
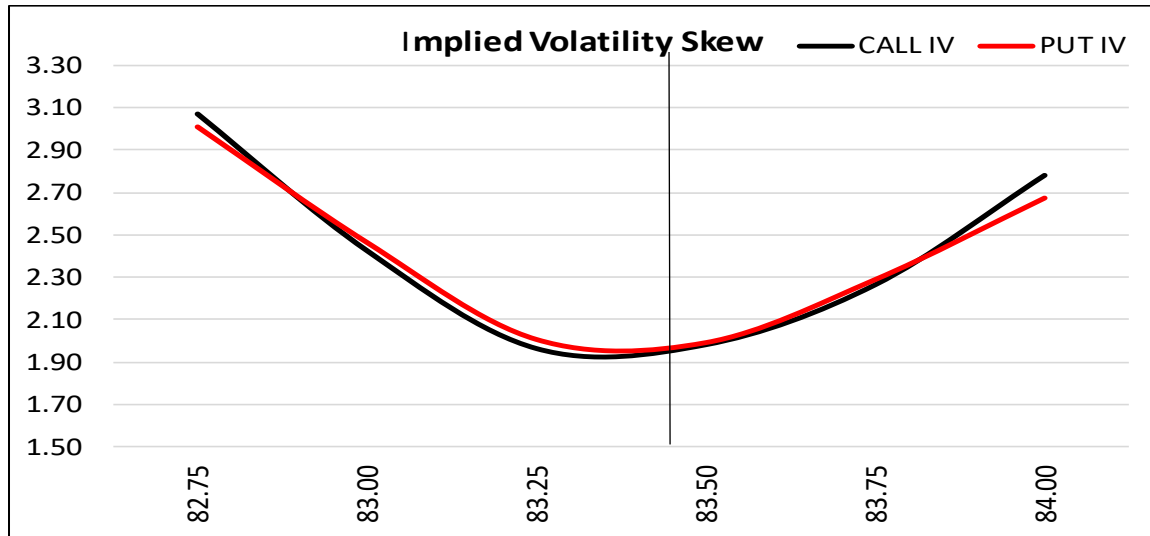
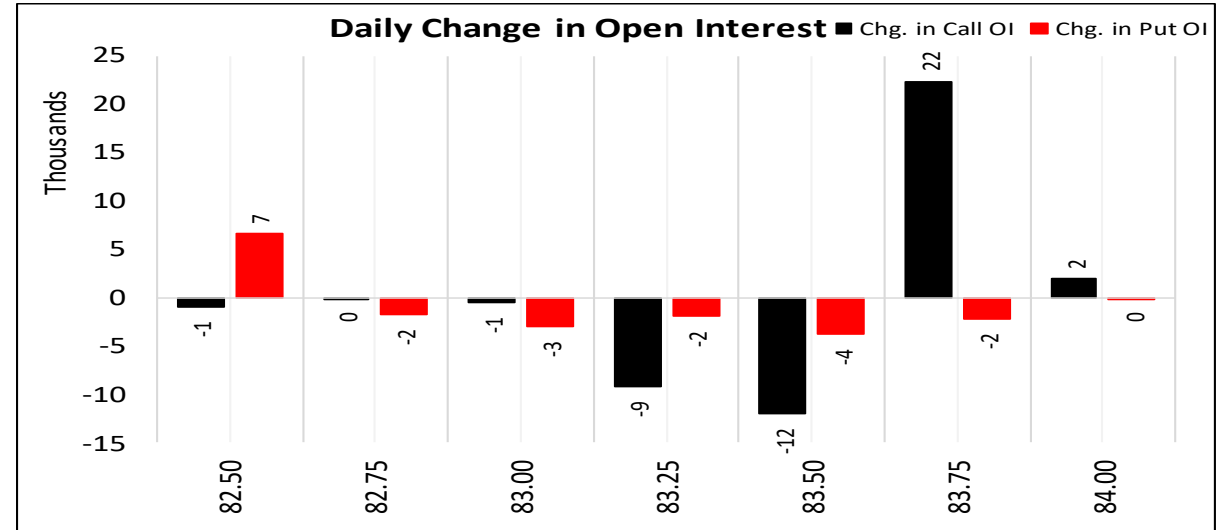
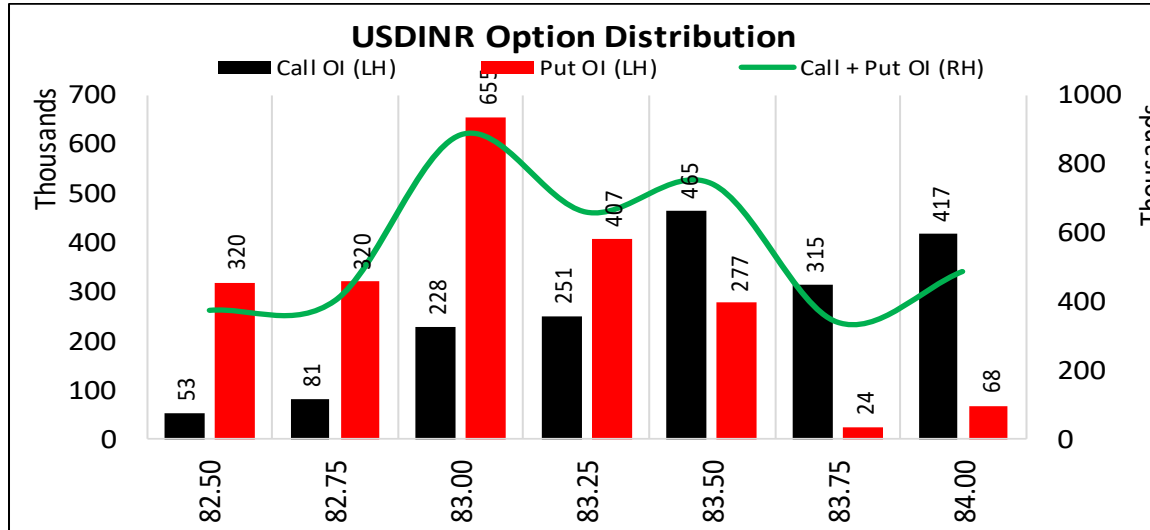
Currency Derivative Price Actions

Currency Pair	Open	High	Low	Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Dec Fut	83.3950	83.4275	83.3825	83.4050	-0.01%	4,081,893	-1.5%	5,745,773	-1.0%	793,605	-28.4%
EURINR Dec Fut	89.9300	90.2050	89.7925	90.1325	0.25%	150,879	-3.7%	213,814	-0.8%	124,879	7.2%
GBPINR Dec Fut	104.8825	104.9550	104.6375	104.8575	-0.02%	211,011	-3.5%	292,884	-1.0%	152,398	-0.3%
JPYINR Dec Fut	57.3650	57.6000	57.3650	57.5700	0.64%	59,532	-6.9%	75,551	-5.0%	109,420	-27.3%
EURUSD Dec Fut	1.0780	1.0810	1.0776	1.0802	0.18%	1,473	-0.3%	6,624	-0.5%	12	-62.5%
GBPUSD Dec Fut	1.2582	1.2582	1.2545	1.2571	-0.05%	4,811	-0.4%	14,926	-0.1%	32	77.8%
USDJPY Dec Fut	145.48	145.48	144.90	144.92	-0.64%	184	-8.0%	407	-0.2%	36	-96.7%

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	83.41	83.41	83.32	83.36	83.38	83.43	83.45	83.50	83.40	83.38	51.27
EURINR Dec Fut	90.13	90.04	89.22	89.63	89.88	90.29	90.46	90.87	90.00	90.63	49.55
GBPINR Dec Fut	104.86	104.82	104.18	104.50	104.68	105.00	105.13	105.45	104.93	104.62	59.20
JPYINR Dec Fut	57.57	57.51	57.04	57.28	57.42	57.66	57.75	57.98	57.42	56.63	60.26
EURUSD Dec Fut	1.0802	1.0796	1.0728	1.0762	1.0782	1.0816	1.0830	1.0864	1.0790	1.0797	52.64
GBPUSD Dec Fut	1.2571	1.2566	1.2492	1.2529	1.2550	1.2587	1.2603	1.2640	1.2581	1.2498	58.52
USDJPY Dec Fut	144.92	145.10	143.94	144.52	144.72	145.30	145.68	146.26	145.29	147.70	38.44

USDINR Dec Month Option Charts



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