

HDFC securities Retail Research

Currency Daily

20 October 2023



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.241	83.266	-0.025	-0.03%
DXY Index	106.35	106.47	-0.116	-0.11%
EURUSD	1.0569	1.0555	0.001	0.13%
GBPUSD	1.2119	1.2121	0.000	-0.02%
USDJPY	149.93	149.82	0.110	0.07%
USDCNH	7.3337	7.3401	-0.006	-0.09%
US 10 Yr. Yield	4.973	4.973	0.000	0.00%
USDINR 1M FWD	83.260	83.330	-0.070	-0.08%
India 10 Yr. Yield	7.372	7.347	0.025	0.34%

Global Equity Markets

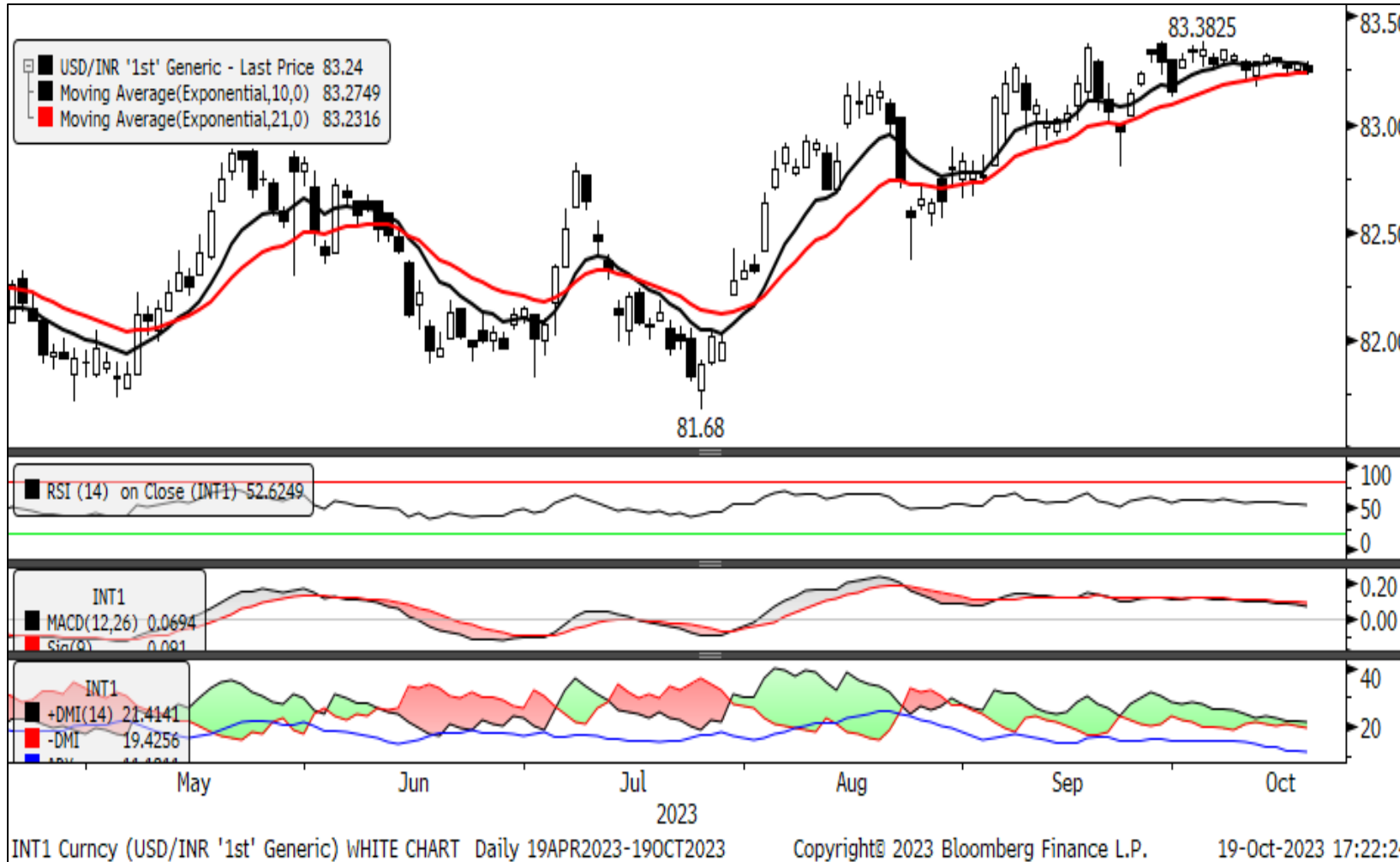
Name	Current Price	Previous Close	Change	% Change
Nifty	19625	19671	-46	-0.24%
Sensex	65629	65877	-248	-0.38%
Hang Seng	17296	17733	-437	-2.46%
Nikkie	31224	31431	-207	-0.66%
Shanghai	3005	3059	-53	-1.74%
S&P Index	4278	4315	-37	-0.85%
Dow Jones	33414	33665	-251	-0.75%
Nasdaq	14783	14909	-126	-0.85%
FTSE	7500	7588	-88	-1.17%
CAC	6921	6966	-45	-0.64%
DAX	15045	15095	-50	-0.33%

* Prev. Close 5pm IST

Market Roundup

- ▶ The Indian rupee is expected to inch up at the open, drawing support from the Reserve Bank of India's likely late aggressive intervention in the previous session. Non-deliverable forwards indicate the rupee will open at around 83.16-83.18 to the U.S. dollar compared with 83.2450 on Thursday. The forward market suggests the spot USDINR to open around 83.21.
- ▶ Spot USDINR little changed at 83.26 on Thursday. Technically, the pair has been trading in a tight range of 83.10 to 83.30 since the start of the month.
- ▶ Indian government bond yields are likely to rise in early session after the 10-year U.S. Treasury yield hit the 5% mark on Thursday for the first time since July 2007. The 10-year benchmark 7.18% 2033 bond yield is expected to be in the 7.38%-7.43% range after ending at 7.3720% in the previous session.
- ▶ The US dollar declined on Thursday, in line with falling short-dated yields, as Federal Reserve Chair Jerome Powell said policymakers are "proceeding carefully" amid uncertainties and risks while leaving the door open to future hikes. Most G-10 currencies advanced, led by European ones.
- ▶ The yield on the benchmark 10-year U.S. Treasury note, a safe haven in times of economic uncertainty that also sets the tone for borrowing costs around the world, hit the 5.0% mark on Thursday for the first since July 20, 2007.
- ▶ Meanwhile, oil retreated as the US dialed back crude sanctions against Venezuela, easing some of the supply pressures caused by the conflict in the Middle East.
- ▶ The U.S. central bank's "Beige Book" indicated that U.S. economic activity was little changed over the last month and a half, as labour market tightness continued to ease and prices continued to increase at a modest pace. In September, US building Permits from the US came in at 1.475M, higher than the 1.450M but still lower than the previous 1.541M.- U.S. Housing Starts rose in September but lower than expected, coming in at 1.358M, lower than the 1.380M but above the last reading of 1.269M.

USDINR Oct Futures Daily Chart



Technical Observations:

- ▶ USDINR Oct fut. took the support at 21 DEMA.
- ▶ The pair has been oscillating around 10 DEMA.
- ▶ Momentum Oscillator, RSI of 14 days period is placed above 50.
- ▶ MACD has been placed above the zero line and the histogram flattened.
- ▶ Short covering has been seen as the price rises while the open interest declines.
- ▶ **Short Term Trend: Sideways**
- ▶ **Expected Trading Range: 83.10 to 83.40**
- ▶ **Intraday Recommendation: Buy USDINR Oct. Fut. above 83.40 SL 83.25 Target 83.60.**

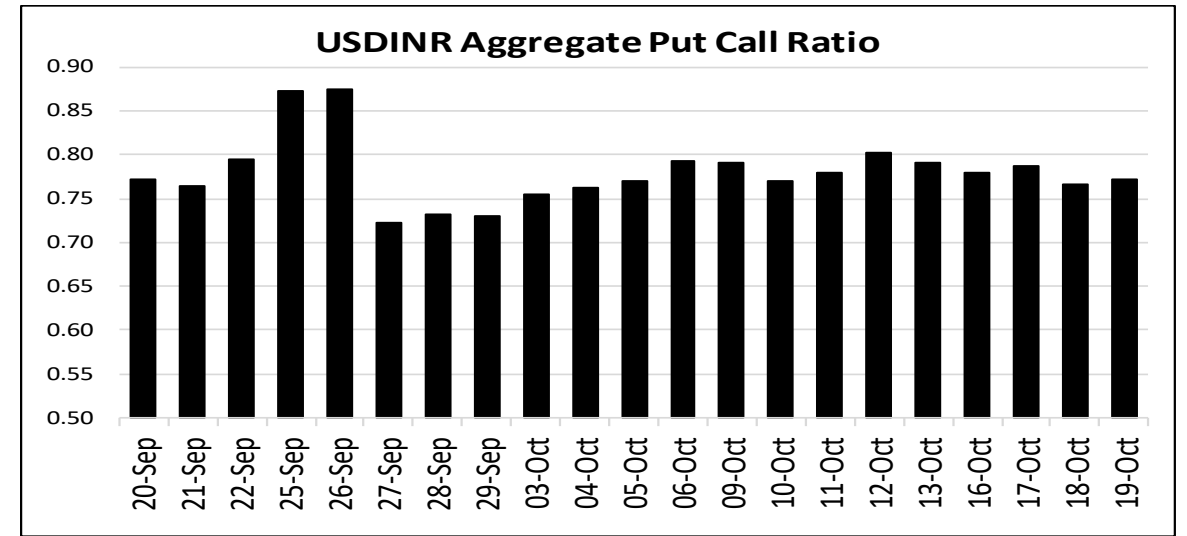
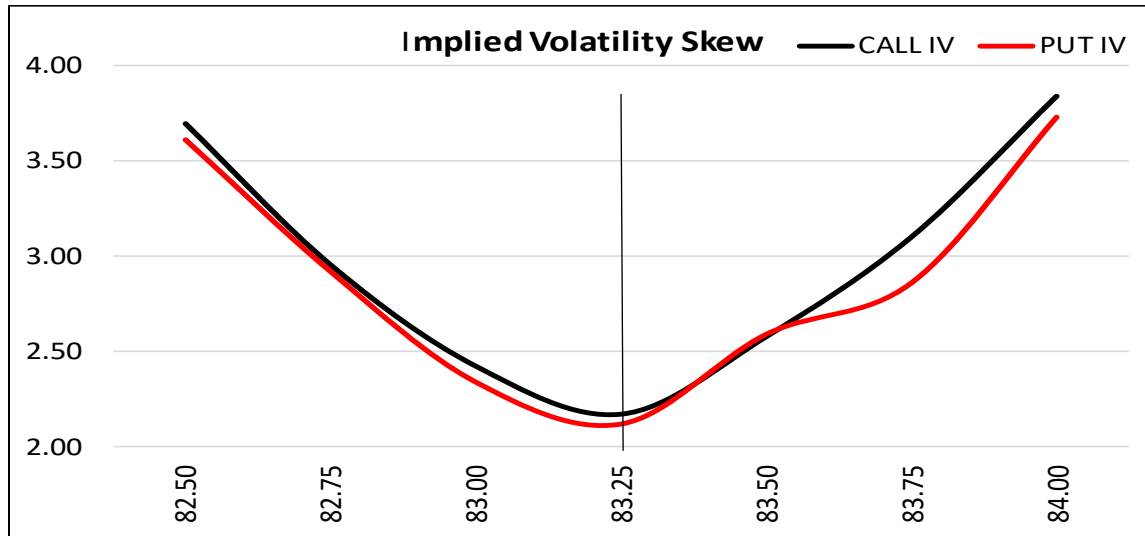
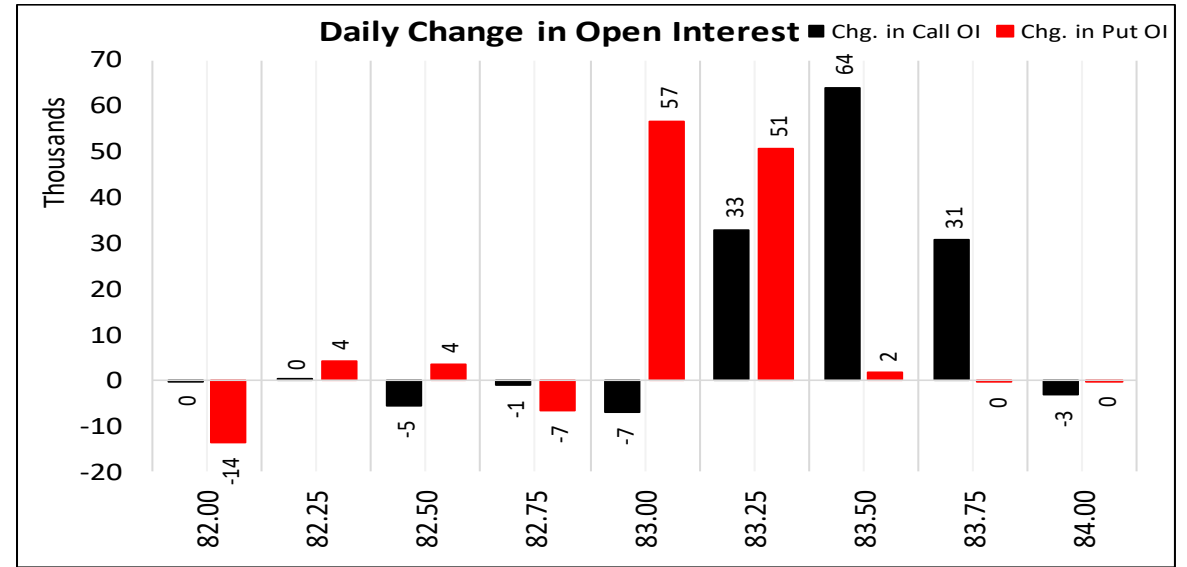
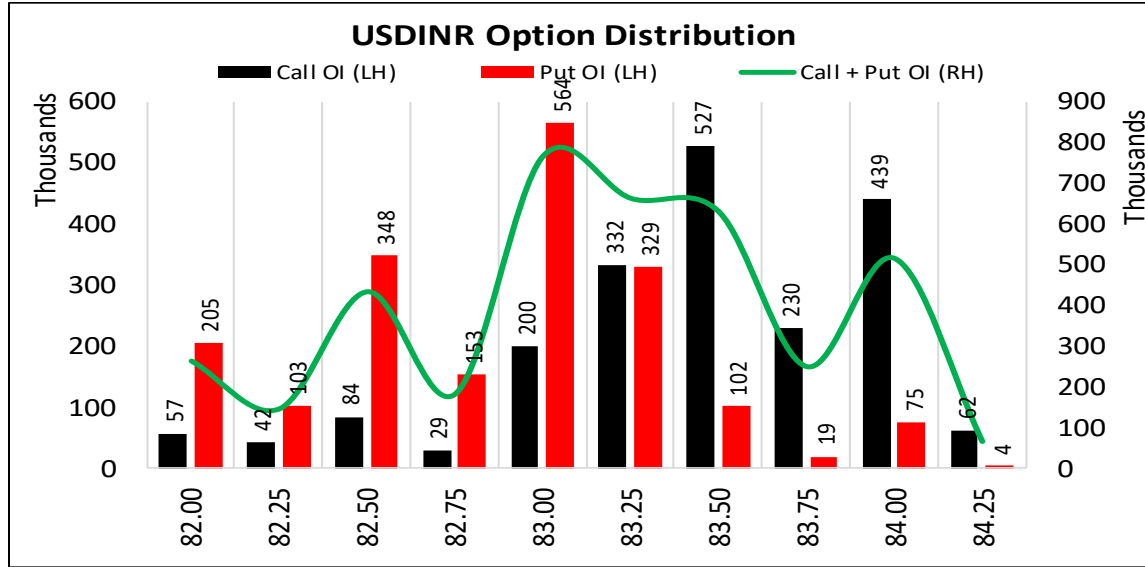
Currency Derivative Price Actions

Currency Pair	Open	High	Low	Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Oct Fut	83.2700	83.2950	83.2300	83.2425	-0.05%	5,385,100	-5.8%	9,209,966	8.0%	2,057,652	88.2%
EURINR Oct Fut	87.7950	87.9275	87.7275	87.9025	-0.07%	121,351	-4.6%	185,309	-4.3%	157,358	8.7%
GBPINR Oct Fut	101.1250	101.1600	100.7300	100.9350	-0.55%	162,822	5.7%	244,200	10.7%	228,894	17.9%
JPYINR Oct Fut	55.7275	55.7375	55.6550	55.6850	-0.16%	122,183	0.5%	159,636	1.5%	31,247	50.0%
EURUSD Oct Fut	1.0550	1.0558	1.0533	1.0558	-0.06%	1,657	-0.8%	2,192	-0.5%	166	253.2%
GBPUSD Oct Fut	1.2140	1.2149	1.2100	1.2130	-0.49%	2,587	10.3%	2,593	10.2%	618	881.0%
USDJPY Oct Fut	149.35	149.52	149.35	149.68	0.27%	1,528	0.5%	1,543	0.5%	21	-25.0%

Technical Levels

Currency Pair	Close	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA	RSI
USDINR Oct Fut	83.24	83.26	83.13	83.19	83.22	83.28	83.32	83.39	83.28	83.28	50.36
EURINR Oct Fut	87.90	87.85	87.45	87.65	87.78	87.98	88.05	88.25	87.87	88.09	41.45
GBPINR Oct Fut	100.94	100.94	100.08	100.51	100.72	101.15	101.37	101.80	101.29	101.59	37.20
JPYINR Oct Fut	55.69	55.69	55.53	55.61	55.65	55.73	55.78	55.86	55.80	56.11	26.09
EURUSD Oct Fut	1.0558	1.0550	1.0500	1.0525	1.0541	1.0566	1.0575	1.0600	1.0550	1.0580	41.90
GBPUSD Oct Fut	1.2130	1.2126	1.2028	1.2077	1.2104	1.2153	1.2175	1.2224	1.2167	1.2197	38.06
USDJPY Oct Fut	149.68	149.52	149.18	149.35	149.51	149.68	149.69	149.86	149.30	148.43	69.92

USDINR Oct Month Option Charts



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