

HDFC securities Retail Research

Currency Daily

18 October 2023



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.260	83.276	-0.016	-0.02%
DXY Index	106.21	106.18	0.036	0.03%
EURUSD	1.0576	1.0572	0.000	0.04%
GBPUSD	1.2176	1.2179	0.000	-0.02%
USDJPY	149.71	149.44	0.270	0.18%
USDCNH	7.3126	7.3224	-0.010	-0.13%
US 10 Yr. Yield	4.830	4.767	0.063	1.32%
USDINR 1M FWD	83.310	83.320	-0.010	-0.01%
India 10 Yr. Yield	7.331	7.334	-0.003	-0.04%

Global Equity Markets

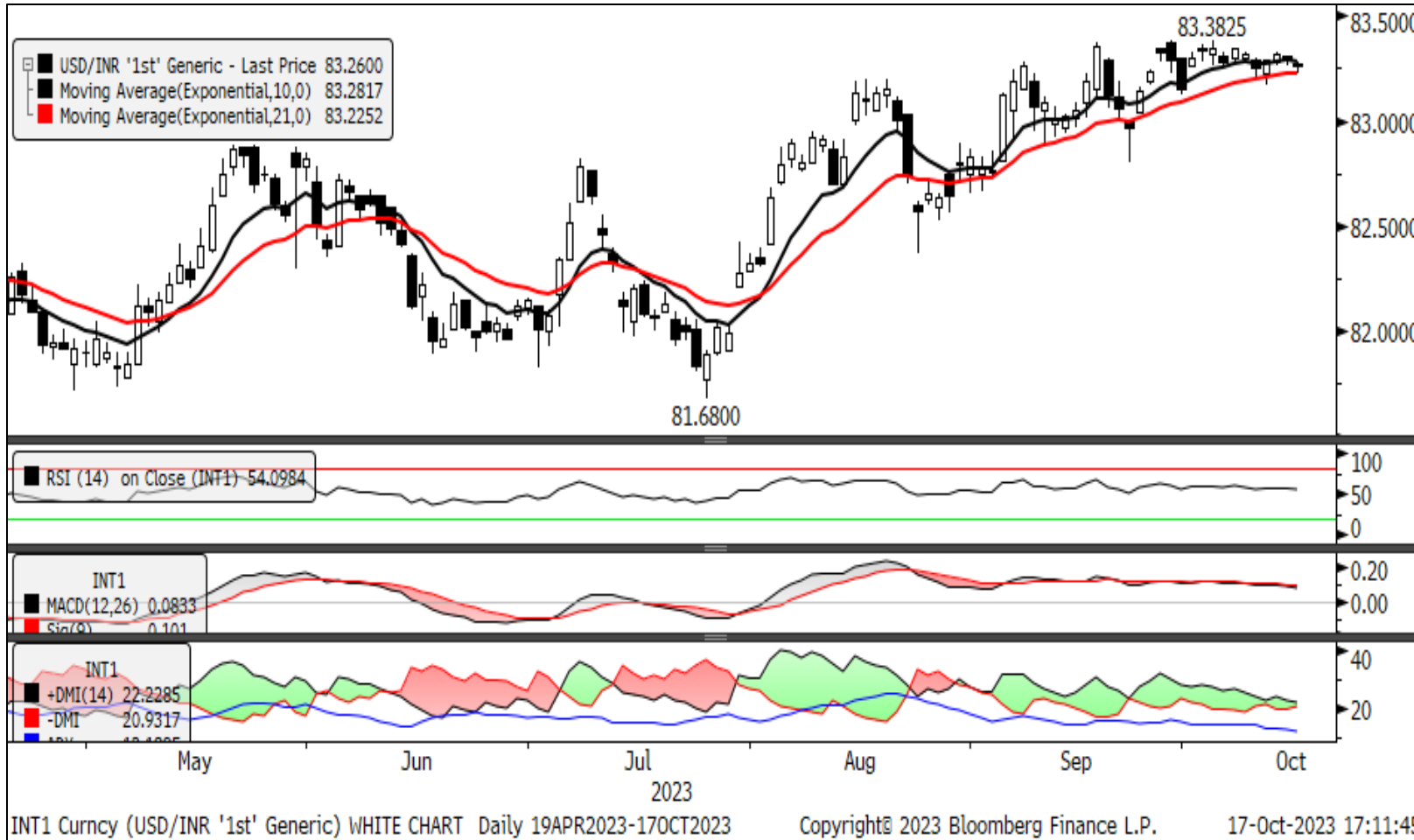
Name	Current Price	Previous Close	Change	% Change
Nifty	19812	19732	80	0.40%
Sensex	66428	66167	261	0.39%
Hang Seng	17796	17773	23	0.13%
Nikkie	32007	32040	-34	-0.10%
Shanghai	3073	3083	-11	-0.35%
S&P Index	4373	4374	0	-0.01%
Dow Jones	33998	33985	13	0.04%
Nasdaq	15122	15173	-51	-0.33%
FTSE	7675	7631	45	0.58%
CAC	7030	7022	8	0.11%
DAX	15252	15238	14	0.09%

* Prev. Close 5pm IST

Market Roundup

- ▶ The Indian rupee is likely to open little changed with the rise in oil prices and U.S. Treasury yields countered by expectations that the Reserve Bank of India will not allow the currency to slip. Implied opening from forwards suggests the spot may start trading around 83.26.
- ▶ Spot USDINR little changed at 83.26 on Tuesday. Technically, the pair has been trading in a tight range of 83.10 to 83.30 since the start of the month. We expect the pair may continue to trade in the said range for a few more days.
- ▶ Asia stocks struggled for direction while US futures fell, following Wall Street, where bonds slumped after the hot retail data. The BOJ announced a surprise bond-buying operation as benchmark yields climbed to a decade high and the yen held near its key 150 level.
- ▶ US Treasury yields surged as retail sales beat all forecasts and industrial production rose with the new highs threatening repricing across markets. The two-yr yield hit levels not seen since 2006 as investors judged another Fed rate hike is more likely.
- ▶ Chinese currency appreciated after upbeat economic data. China's economy found a foothold in the third quarter as the government increased support and consumer spending picked up, while the property market remained a drag. Gross domestic product increased 4.9% in the July-September period from a year prior, data released by the National Bureau of Statistics showed Wednesday.
- ▶ Oil rallied as the deadly explosion at the Gaza hospital boosted tensions before Biden's arrival in the region. WTI rose above \$88 a barrel, after swinging by more than \$2 on Tuesday.
- ▶ Back to geopolitical events. President Joe Biden's dramatic war-time visit to Israel and Jordan began to unravel even before he left the ground after an explosion at a Gaza hospital left hundreds dead and Arab leaders pulled out of a meeting planned for the trip.

USDINR Oct Futures Daily Chart



Technical Observations:

- ▶ USDINR Oct fut. has been hovering near 10 DEMA since the start of the month.
- ▶ It has been holding the support of 21 DEMA.
- ▶ Momentum Oscillator, RSI of 14 days period is placed above 50 and flattening suggests lackluster momentum.
- ▶ MACD has been placed above the zero line and histogram bars are small indicating a weak up trend.
- ▶ Long unwinding has been seen as price along with open interest fell.
- ▶ **Short Term Trend: Neutral**
- ▶ **Expected Trading Range: 83 to 83.35**
- ▶ **Short Term Recommendation: Buy USDINR Oct. Fut. ONLY above 83.40 SL 83.28 Target 83.59**

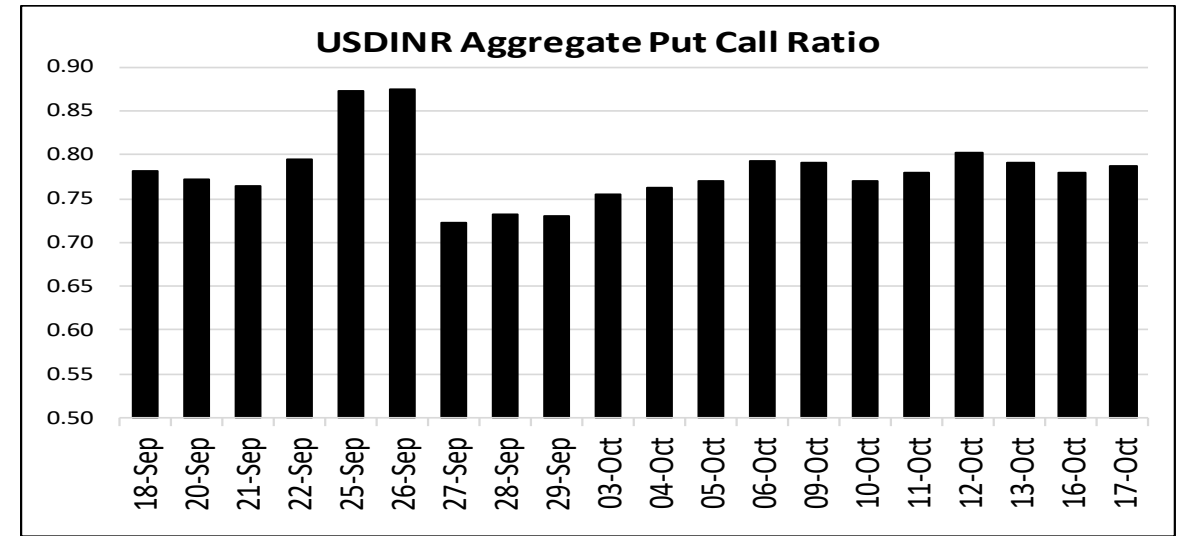
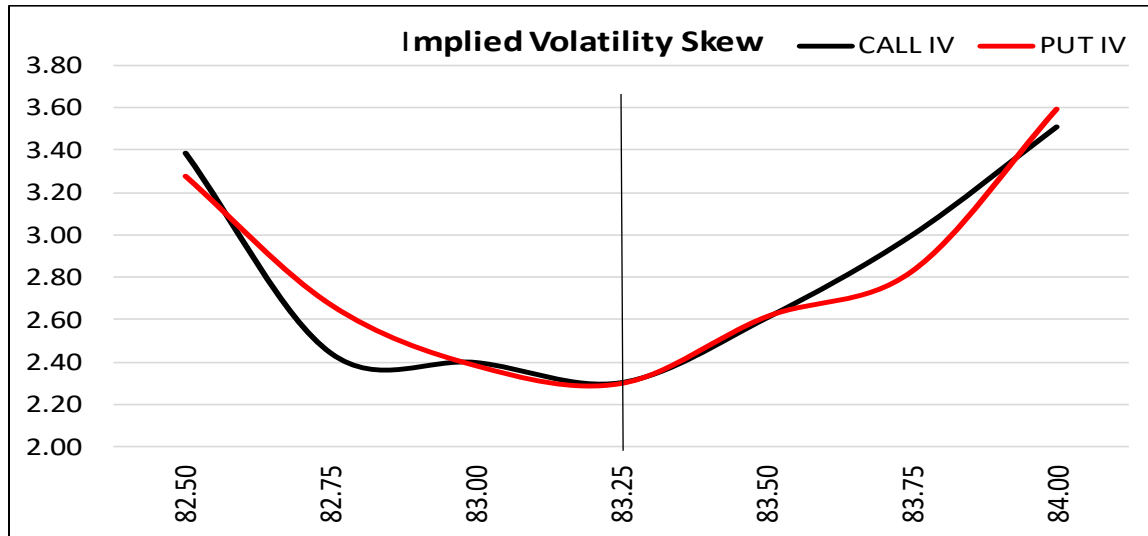
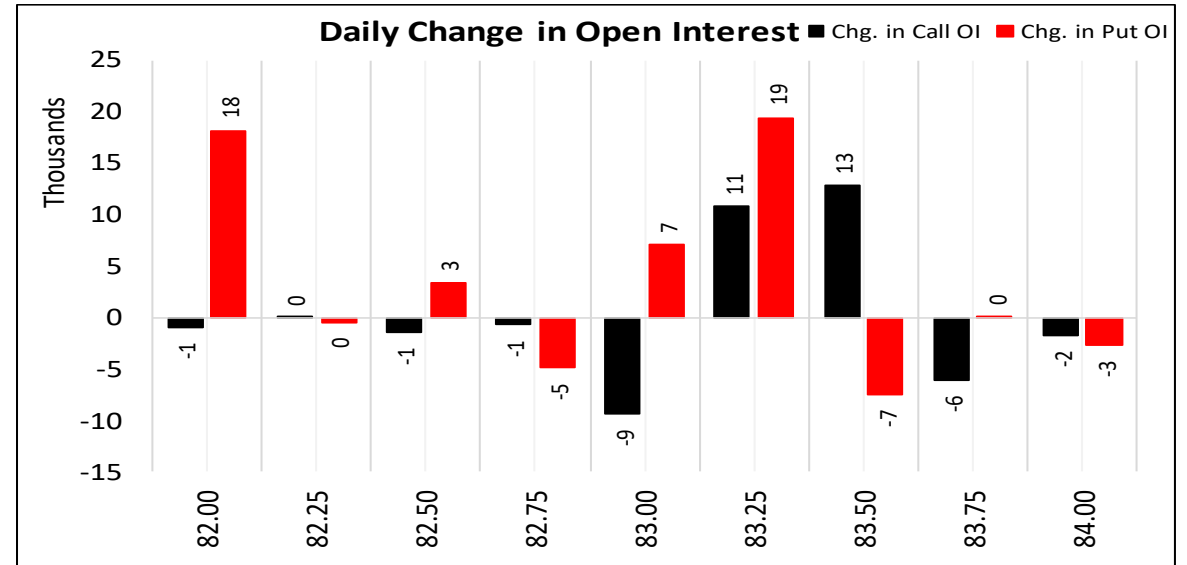
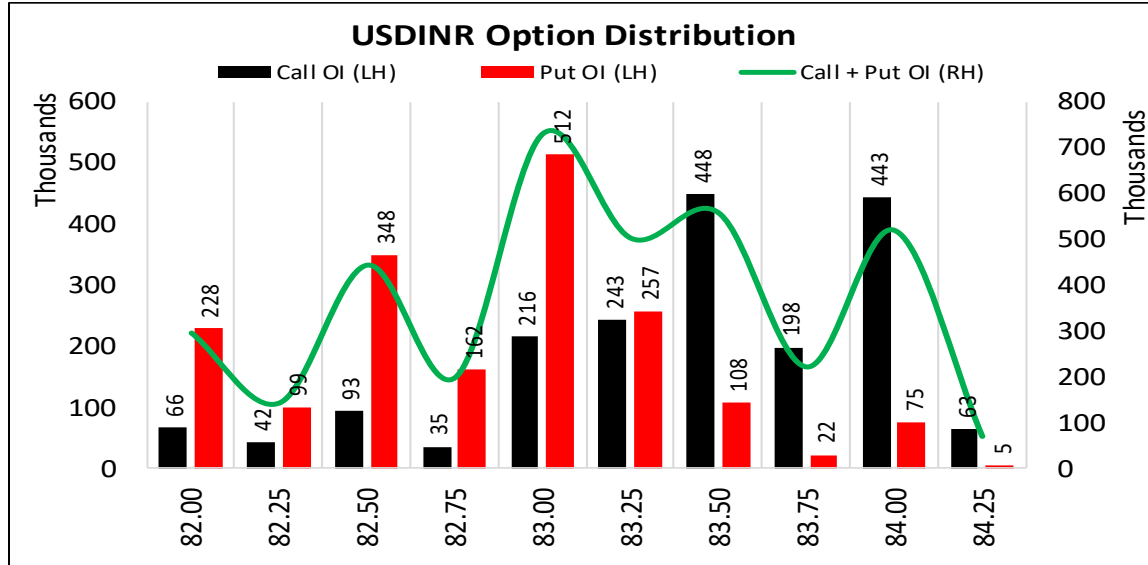
Currency Derivative Price Actions

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	83.2800	83.2275	83.2625	-0.04%	5,894,658	-3.8%	8,591,603	-0.2%	1,182,310	-15.1%
EURINR Oct Fut	87.8625	88.0625	87.7775	88.0200	0.28%	127,756	-5.2%	183,804	-1.5%	166,839	49.1%
GBPINR Oct Fut	101.5050	101.6225	101.1900	101.3625	0.10%	158,960	-5.2%	227,729	-0.6%	189,546	15.0%
JPYINR Oct Fut	55.8350	56.1500	55.7675	55.8525	0.01%	120,578	-0.7%	153,195	0.3%	51,760	55.8%
EURUSD Oct Fut	1.0557	1.0564	1.0544	1.0570	0.38%	1,674	-15.8%	2,207	-12.5%	544	221.9%
GBPUSD Oct Fut	1.2200	1.2207	1.2160	1.2175	0.04%	2,355	-2.2%	2,361	-2.2%	95	-42.4%
USDJPY Oct Fut	149.08	149.18	148.66	149.02	-0.25%	1,505	-0.5%	1,520	-0.5%	173	540.7%

Technical Levels

Currency Pair	Close	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA	RSI
USDINR Oct Fut	83.26	83.26	83.15	83.20	83.23	83.29	83.31	83.36	83.29	83.28	51.65
EURINR Oct Fut	88.02	87.95	87.38	87.67	87.84	88.13	88.24	88.52	88.06	88.21	42.87
GBPINR Oct Fut	101.36	101.39	100.53	100.96	101.16	101.59	101.82	102.26	101.78	101.80	40.05
JPYINR Oct Fut	55.85	55.92	55.16	55.54	55.70	56.08	56.31	56.69	55.95	56.22	29.27
EURUSD Oct Fut	1.0570	1.0559	1.0519	1.0539	1.0555	1.0575	1.0579	1.0599	1.0573	1.0594	42.96
GBPUSD Oct Fut	1.2175	1.2181	1.2087	1.2134	1.2154	1.2201	1.2228	1.2275	1.2224	1.2219	40.43
USDJPY Oct Fut	149.02	148.95	147.91	148.43	148.73	149.25	149.47	149.99	148.87	148.18	65.51

USDINR Oct Month Option Charts



Disclosure:

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