

HDFC securities Retail Research

Currency Daily

25 October 2023



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.190	83.121	0.069	0.08%
DXY Index	106.19	106.10	0.089	0.08%
EURUSD	1.0598	1.0608	-0.001	-0.09%
GBPUSD	1.2171	1.2172	0.000	-0.01%
USDJPY	149.83	149.94	-0.110	-0.07%
USDCNH	7.314	7.3219	-0.008	-0.11%
US 10 Yr. Yield	4.821	4.987	-0.166	-3.32%
USDINR 1M FWD	83.110	83.240	-0.130	-0.16%
India 10 Yr. Yield	7.379	7.363	0.016	0.22%

Global Equity Markets

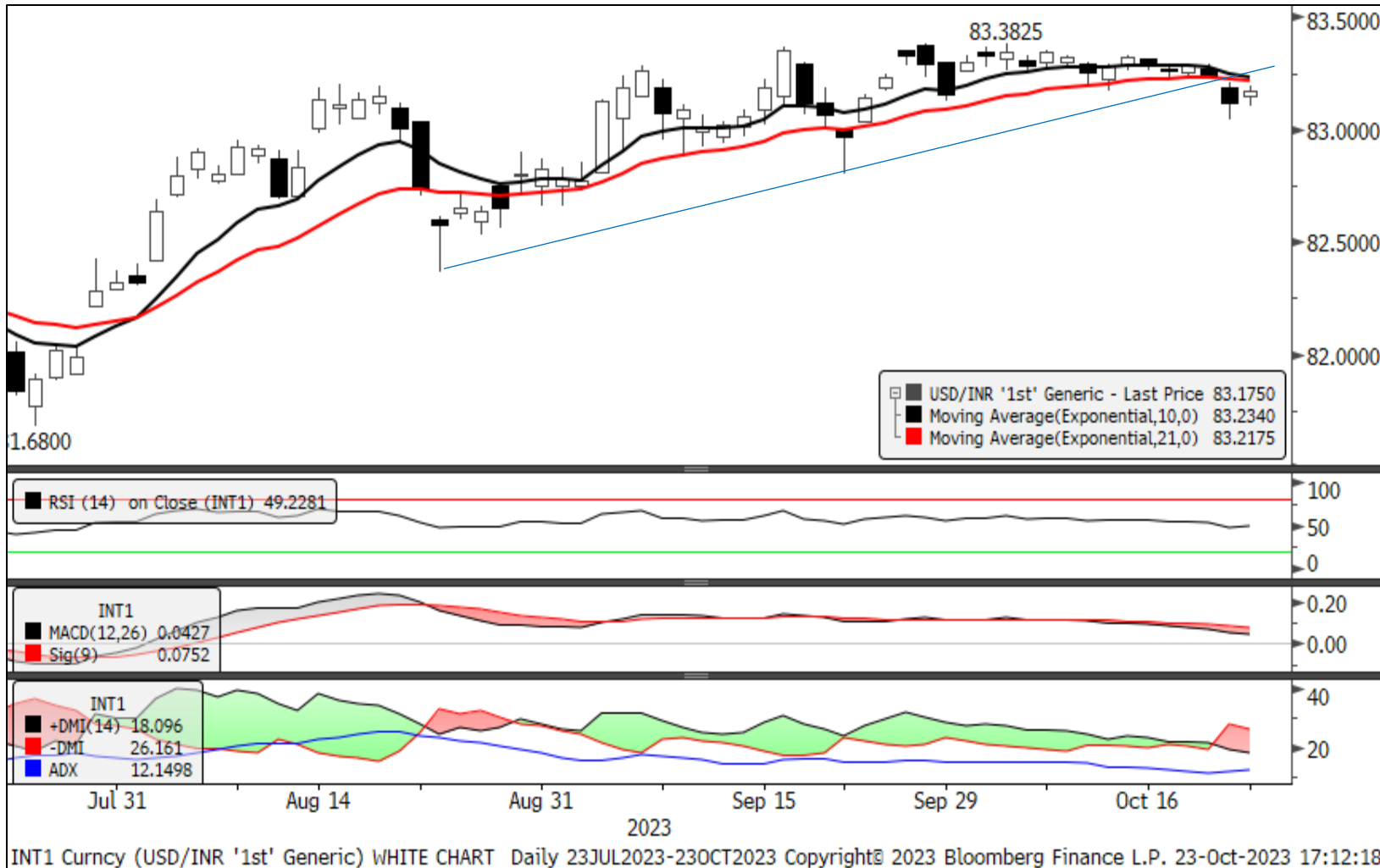
Name	Current Price	Previous Close	Change	% Change
Nifty	19282	19543	-261	-1.34%
Sensex	64572	65398	-826	-1.26%
Hang Seng	17349	16992	358	2.10%
Nikkie	31395	31062	332	1.07%
Shanghai	2981	2962	19	0.63%
S&P Index	4248	4217	31	0.73%
Dow Jones	33141	32936	205	0.62%
Nasdaq	14746	14605	141	0.97%
FTSE	7390	7375	15	0.20%
CAC	6894	6850	43	0.63%
DAX	14880	14801	79	0.54%

* Prev. Close 5pm IST

Market Roundup

- ▶ In line with stronger Asian currencies, Indian rupee is expected to open up. Implied opening from forwards suggests the spot USDINR may start trading around 83.04 as crude oil prices and yield decline on Tuesday.
- ▶ USDINR edged up 0.1% to 83.1900 on Monday amid month-end dollar demand from the importers and risk-averse sentiments.
- ▶ Though the pair has been trading between 83.30 and 83 since the start of the month, the recent price actions indicate the tiredness of bulls. Technically, USDINR has support at 82.90 and resistance at 83.30.
- ▶ Indian bond traders are set for a 240b rupee auction (\$2.9b) of T-bills, today. The rupee may find support as crude oil prices ease over the last three days, a potential reprieve for net energy importer India. The India's 10-year yields rose 2bps to 7.38% on Monday.
- ▶ A dollar gauge rose as US business activity picked up in October after back-to-back months of stagnation, while weaker data out of Germany and France weighed on the euro. The Dollar Spot Index rose 0.1% after three days of declines amid hedging flows ahead of month-end.
- ▶ Stocks in Asia pushed higher after President Xi Jinping stepped up support for China's economy, buoying optimism.
- ▶ Treasury yields slid across tenors in Asia, with the two-year down six basis points. The dollar was weaker against all of its Group-of-10 peers.
- ▶ Elsewhere, oil edged lower, set to fall into a fourth session, on signs the Israel-Hamas war will remain contained for the time being.
- ▶ According to the CME FedWatch Tool, the odds of a 25 bps hike in December are still low, around 25%. In addition, the Tool suggests that a pause in November is near to being priced in.

USDINR Oct Futures Daily Chart



Technical Observations:

- USDINR broke the support line after consolidating between 83.20 and 83.35 for the last 20 days.
- It has broken the upward-sloping trend line support of 83.30.
- Momentum oscillator, RSI has given negative divergence and placed below 50 indicating a weaker momentum.
- The pair has support at 82.50 and resistance at 83.40.
- On Monday, the short covering was seen as the price gained while open interest declined.
- ▶ **Short Term Trend:** *Neutral/Bearish*
- ▶ **Expected Trading Range:** *82.90 to 83.25*
- ▶ **Intraday Recommendation:** *Sell USDINR Oct. Fut. around 83.18 SL 83.30 Target 83.01.*

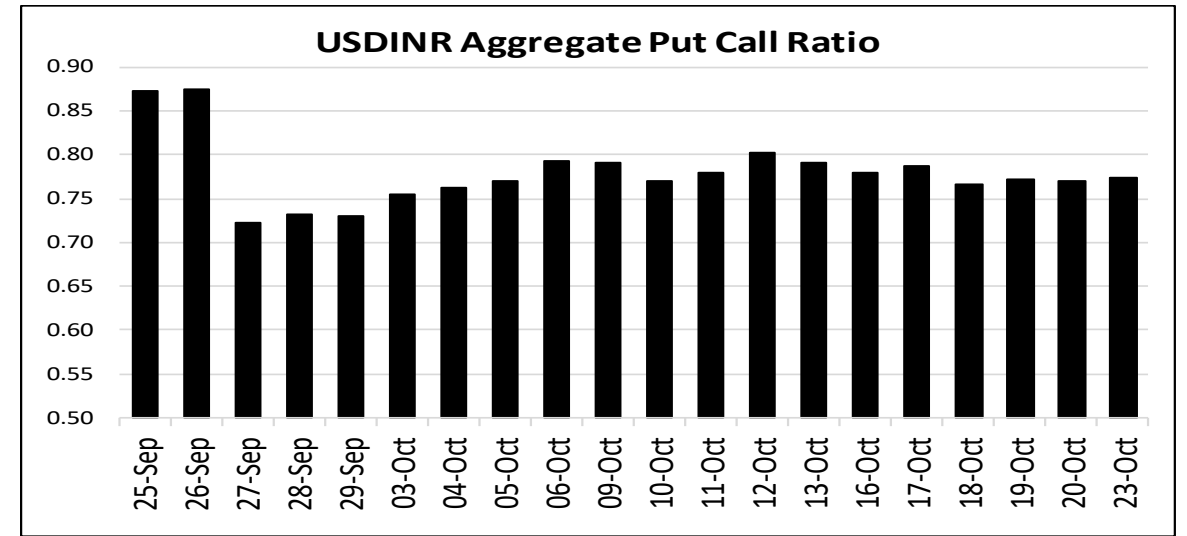
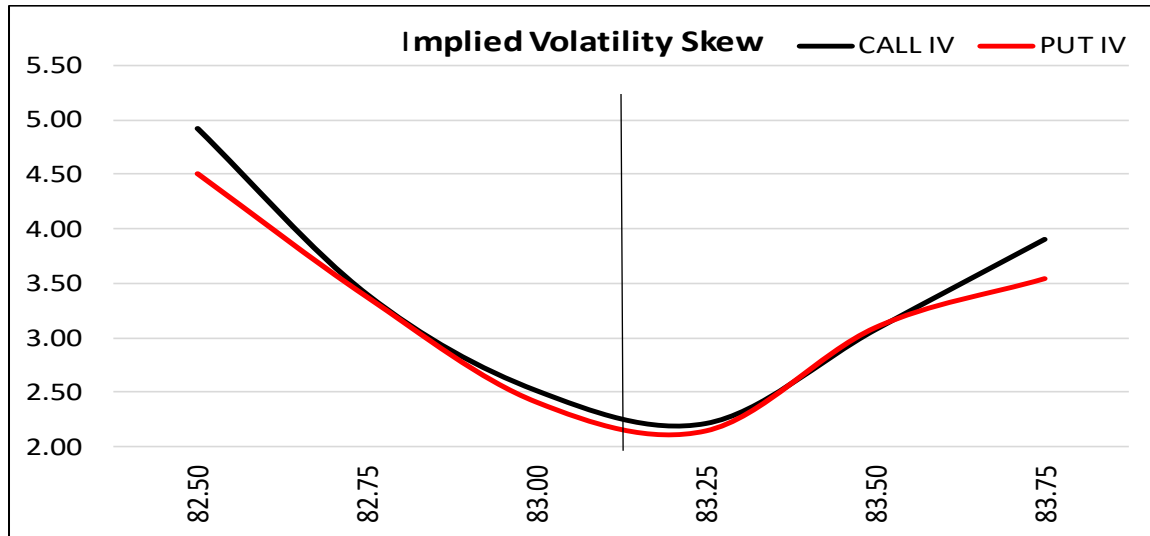
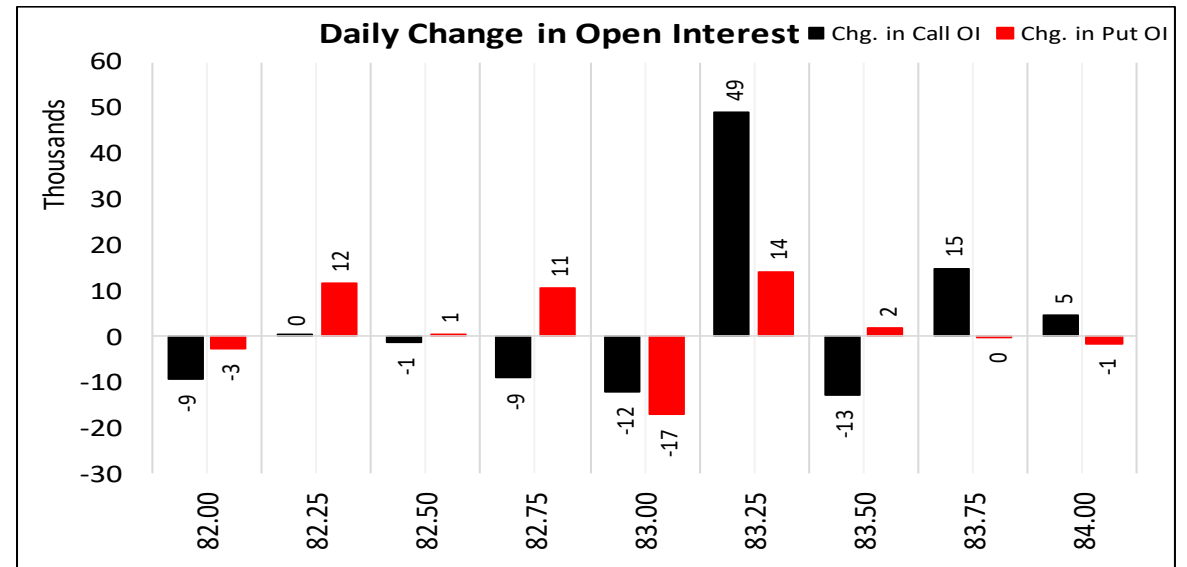
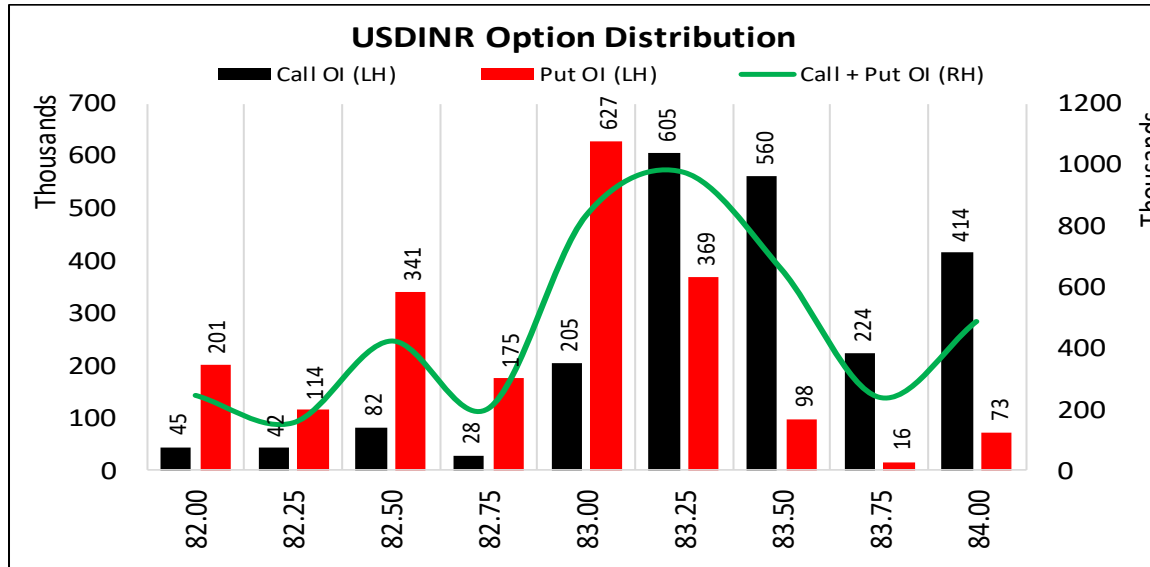
Currency Derivative Price Actions

Currency Pair	Open	High	Low	Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Oct Fut	83.1500	83.1950	83.1025	83.1775	0.07%	5,060,160	-2.6%	9,134,299	-0.4%	1,237,177	-47.4%
EURINR Oct Fut	87.9900	88.3000	87.9350	88.2350	0.21%	117,620	-4.9%	190,758	0.8%	136,364	13.2%
GBPINR Oct Fut	101.0250	101.3300	101.0000	101.1875	0.30%	138,804	-12.0%	240,009	-5.8%	169,231	-17.4%
JPYINR Oct Fut	55.5550	55.5975	55.5225	55.5700	0.05%	110,951	-6.4%	158,825	-1.5%	23,900	-31.6%
EURUSD Oct Fut	1.0585	1.0610	1.0578	1.0604	0.06%	1,559	-0.6%	2,089	-0.6%	20	-94.8%
GBPUSD Oct Fut	1.2155	1.2186	1.2150	1.2166	0.56%	2,155	-15.3%	2,161	-15.3%	438	239.5%
USDJPY Oct Fut	149.62	149.72	149.60	149.65	0.03%	1,433	-2.6%	1,448	-2.6%	42	-70.8%

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	83.18	83.16	82.97	83.07	83.12	83.21	83.25	83.34	83.22	83.28	47.38
EURINR Oct Fut	88.24	88.16	87.43	87.79	88.01	88.38	88.52	88.89	88.03	88.04	47.20
GBPINR Oct Fut	101.19	101.17	100.51	100.84	101.02	101.35	101.50	101.83	101.17	101.50	40.72
JPYINR Oct Fut	55.57	55.56	55.41	55.49	55.53	55.60	55.64	55.71	55.69	56.01	25.11
EURUSD Oct Fut	1.0604	1.0597	1.0533	1.0565	1.0585	1.0617	1.0629	1.0661	1.0579	1.0575	47.49
GBPUSD Oct Fut	1.2166	1.2167	1.2095	1.2131	1.2149	1.2185	1.2203	1.2239	1.2152	1.2184	42.61
USDJPY Oct Fut	149.65	149.66	149.42	149.54	149.59	149.71	149.78	149.90	149.44	148.66	69.09

USDINR Oct Month Option Charts



Disclosure:

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