

# HDFC securities Retail Research

## Currency Daily

20 June 2024



## Currency Movements

Name	Current Price	Previous Close	Change	% Change
USDINR	83.454	83.414	0.040	0.05%
DXY Index	105.24	105.25	-0.01	-0.01%
EURUSD	1.0747	1.074	0.000	0.03%
GBPUSD	1.2717	1.272	0.000	-0.02%
USDJPY	158.01	158.09	-0.080	-0.05%
USDCNH	7.2792	7.281	-0.002	-0.03%
US 10 Yr. Yield	4.240	4.223	0.017	0.41%
USDINR 1M FWD	83.51	83.50	0.01	0.01%
India 10 Yr. Yield	6.974	6.979	-0.005	-0.07%

## Global Equity Markets

Name	Current Price	Previous Close	Change	% Change
Nifty	23516	23558	-42	-0.18%
Sensex	77338	77301	36	0.05%
Hang Seng	18430	17916	515	2.87%
Nikkei	38341	38571	-230	-0.60%
Shanghai	3018	3030	-12	-0.40%
S&P Index	5487	5473	14	0.25%
Dow Jones	38835	38778	57	0.15%
Nasdaq	19909	19903	6	0.03%
FTSE	8205	8191	14	0.17%
CAC	7570	7629	-59	-0.77%
DAX	18068	18132	-64	-0.35%

## Market Roundup

- ▶ The Indian rupee is expected to open muted following mixed signals from the global. The dollar inflows and steady commodity prices could support the rupee while weaker regional currencies and risk-averse moods may drag it lower.
- ▶ India's sovereign bonds inched up on Wednesday, with the pace of inflows to the country's debt picking up ahead of the inclusion of the notes to JPMorgan Chase & Co.'s index next week. India's 10-year yields dipped 1bps to 6.97% while spot USDINR gained by 0.1% to 83.45.
- ▶ Technically, spot USDINR has support at 83.30 and resistance at 83.60.
- ▶ *India's central bank sold a net \$3.6b in spot forex in April, according to its latest bulletin. First net sales after four months of purchases in the spot markets. The forwards' book was short \$16.3b in April versus a short position of \$541m in March.*
- ▶ **Forex:**
  - The dollar consolidated with most Group-of-10 currencies amid the US market holiday. Asian currencies consolidate in early trade. China weakened the yuan's daily reference rate to the weakest since November in a sign policymakers are loosening their grip on the currency. The offshore yuan fell to its weakest this year after the fixing, down 0.1% to around 7.287 per dollar.
  - China's PBOC kept the 1-year and 5-year loan prime rates unchanged. Any delay to Federal Reserve rate cuts would likely add pressure on the yuan as China's wide interest-rate gap with the US favours the dollar.
  - Sterling headed for a third daily advance after the release of UK inflation data. UK inflation fell to the Bank of England's target for the first time in almost three years; still, inflation in the services sector remained higher than expected.
- ▶ **Equities:**
  - Asian shares retreated following a rally in the previous session as investors sought new catalysts after a holiday in the US. Japanese stocks may decline as concerns about the Bank of Japan's policy outlook and borrowing costs.
- ▶ **Commodities:**
  - In commodities, oil slipped after a low-volume session over the US holiday, with one gauge of volatility declining to a multiyear low. Meanwhile, gold held steady for a second day.

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