

HDFC securities Retail Research

Currency Daily

2 November 2023



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.289	83.256	0.033	0.04%
DXY Index	106.34	106.90	-0.565	-0.53%
EURUSD	1.0595	1.0542	0.005	0.50%
GBPUSD	1.2192	1.2131	0.006	0.50%
USDJPY	150.17	151.21	-1.040	-0.69%
USDCNH	7.3269	7.337	-0.010	-0.14%
US 10 Yr. Yield	4.709	4.901	-0.192	-3.92%
USDINR 1M FWD	83.310	83.390	-0.080	-0.10%
India 10 Yr. Yield	7.359	7.355	0.004	0.05%

Global Equity Markets

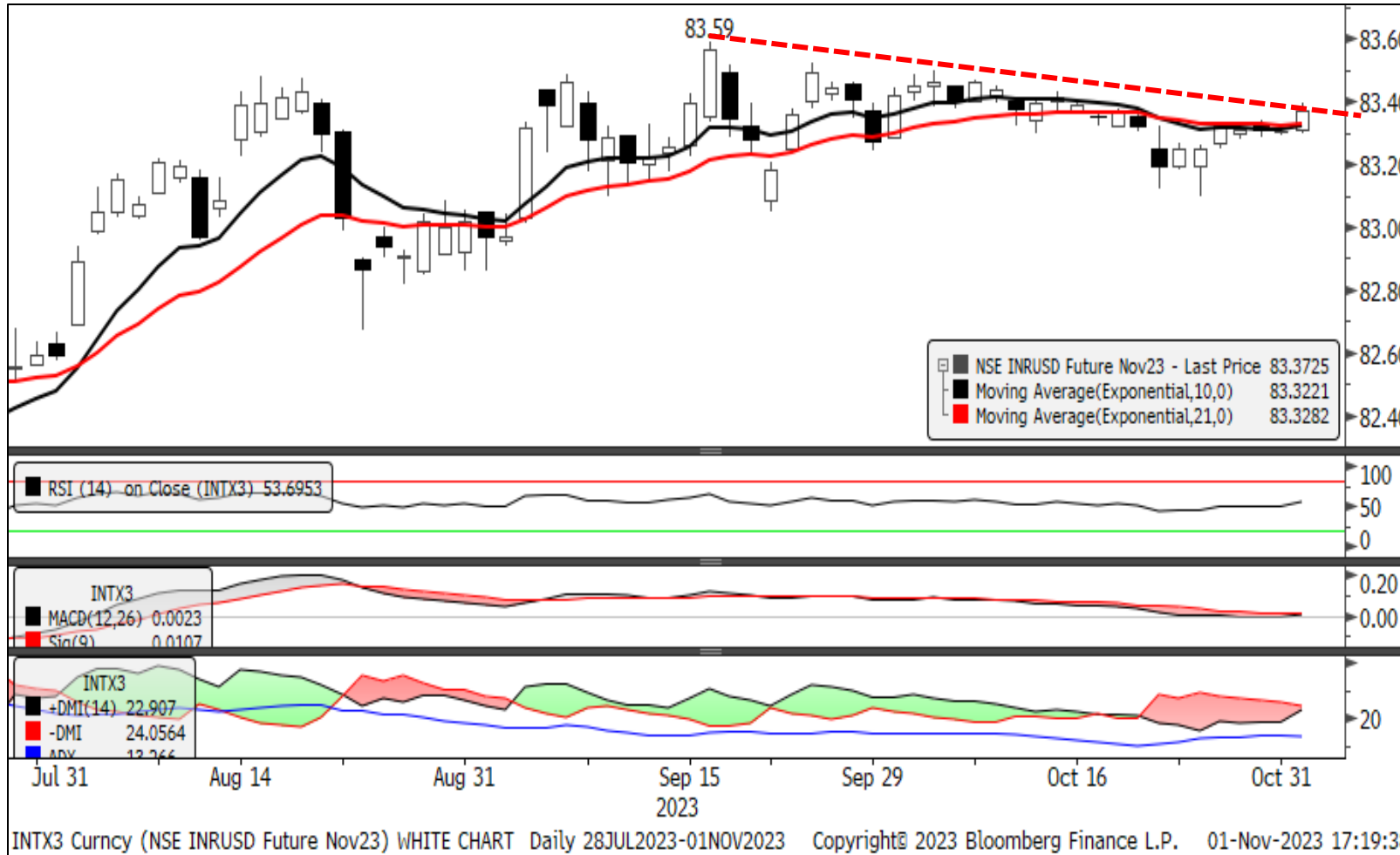
Name	Current Price	Previous Close	Change	% Change
Nifty	18989	19080	-90	-0.47%
Sensex	63591	63875	-284	-0.44%
Hang Seng	17276	17102	174	1.02%
Nikkie	31958	31602	356	1.13%
Shanghai	3025	3023	2	0.06%
S&P Index	4238	4194	44	1.05%
Dow Jones	33275	33053	222	0.67%
Nasdaq	14665	14410	255	1.77%
FTSE	7342	7322	21	0.28%
CAC	6933	6886	47	0.68%
DAX	14923	14810	113	0.76%

* Prev. Close 5pm IST

Market Roundup

- ▶ The Indian rupee is expected to open slightly higher following the overnight fall in the greenback after FOMC meeting output. Implied opening from forwards suggests the spot USDINR may start trading around 83.21.
- ▶ Spot USDINR gained three paise to 83.29, the all-time high the pair first reached in October last year and matched again this October. Technically, the pair has resistance at 83.30, sustainable movement above this level will pave the way for 83.50 and 83.70, while on the lower side, 83 remains near-term support.
- ▶ Indian bonds may open higher, tracking gains in most Asian peers spurred by the Federal Reserve signalling it may now be finished with its rate hikes. 10-year yields little changed at 7.36% on Wednesday.
- ▶ The dollar extended a decline against its Group-of-10 peers as US yields fell after the Federal Reserve signalled its policy tightening cycle may be over. Fed Chair Jerome Powell hinted the US central bank may be done with hiking rates after it stayed on hold Wednesday. Overnight-indexed swaps signalled a roughly one-in-four chance of another rate increase by January and fully priced in a cut by June. Treasury 10-year yields fell three basis points to 4.70% on Thursday after tumbling 20 basis points the previous day.
- ▶ Shares in Asia jumped following gains in US stocks. Benchmarks in Australia, Japan and South Korea rose, while Chinese stocks also opened up, fueling gains in a regional gauge. The moves in Asia echoed a 1.1% rally in the S&P 500 Wednesday that placed the index on track for its best week since March. US equity futures edged higher in early Asian trading. Meanwhile, West Texas Intermediate, the US oil benchmark, advanced more than 1% to above \$81 per barrel, retracing a Wednesday decline.
- ▶ The Bank of England is expected to hold rates for a second consecutive meeting today, as inflation concerns ease.

USDINR Nov Futures Hourly Chart



Technical Observations:

- ▶ USDINR Nov fut. closed above 10 and 21 DEMA after a month.
- ▶ It has given an upward breakout to the range but facing downward sloping trendline resistance at 83.40.
- ▶ Momentum Oscillator, RSI of 14 days period is placed above 50 and improved indicating positive momentum.
- ▶ MACD has been placed at the zero line exhibiting improvement in the trend.
- ▶ Minor long buildup was seen as the price, open interest and volume gained.
- ▶ **Short Term Trend: Neutral/Sideways**
- ▶ **Short Term Trading Range: 83.10 to 83.60**
- ▶ **Intraday Recommendation: Sell USDINR Nov. Fut. Below 83.30 SL 83.42 Target 83.15**

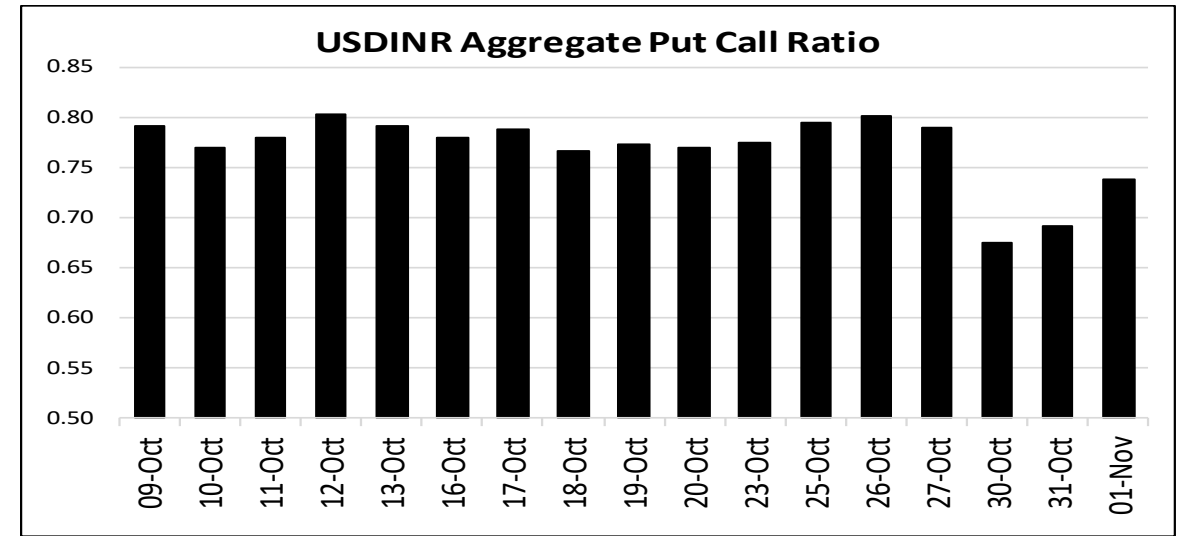
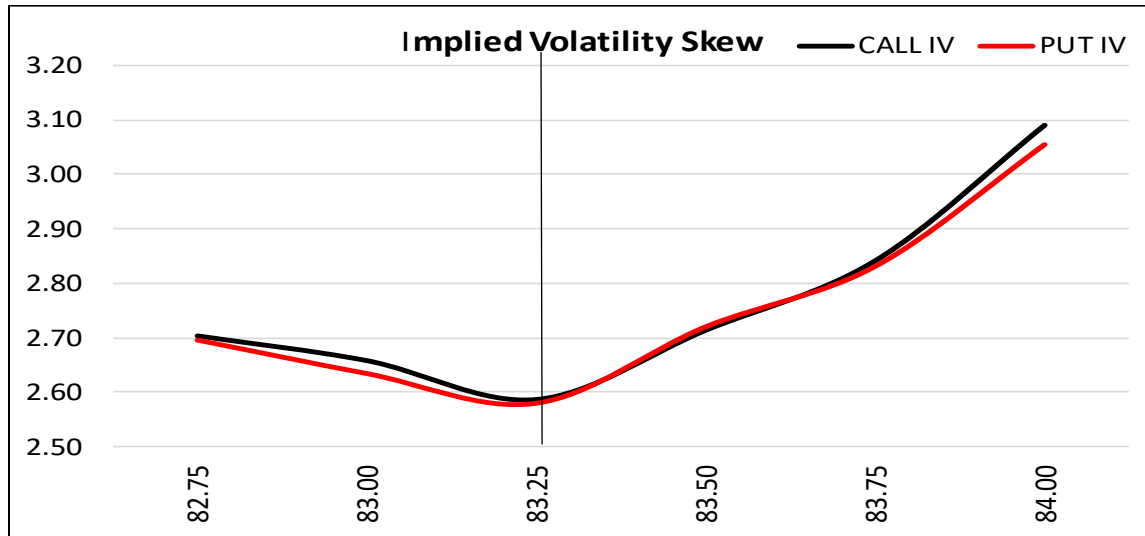
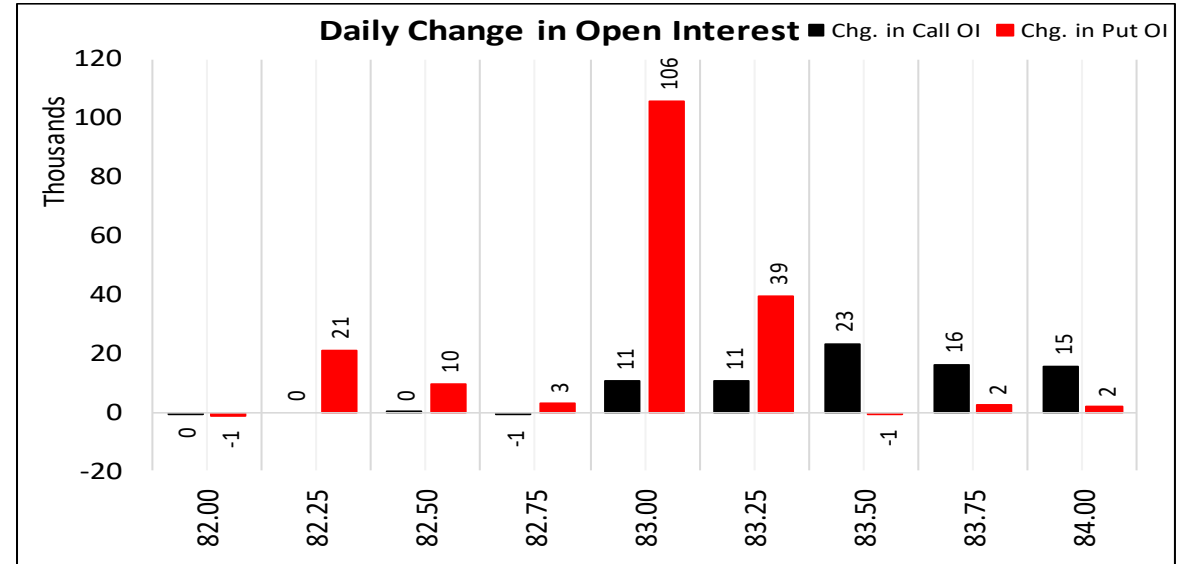
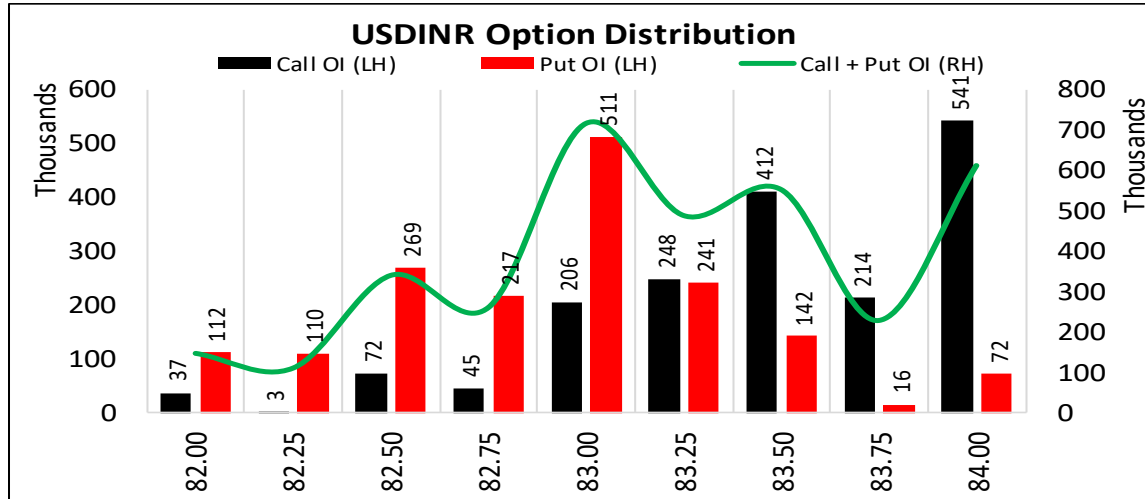
Currency Derivative Price Actions

Currency Pair	Open	High	Low	Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Nov Fut	83.3125	83.3975	83.3000	83.3725	0.08%	5,493,938	3.1%	7,062,079	2.5%	1,617,834	28.6%
EURINR Nov Fut	88.2450	88.2450	87.9875	88.0275	-0.98%	127,113	-9.2%	159,654	-8.0%	246,610	-9.6%
GBPINR Nov Fut	101.2950	101.3850	101.1350	101.2150	-0.37%	164,514	-5.9%	201,210	-4.8%	194,221	-17.1%
JPYINR Nov Fut	55.5575	55.5575	55.3125	55.4200	-0.30%	124,115	8.8%	141,338	9.6%	62,915	-33.1%
EURUSD Nov Fut	1.0586	1.0590	1.0553	1.0558	-0.98%	1,087	-1.5%	1,101	-1.5%	275	-44.4%
GBPUSD Nov Fut	1.2159	1.2159	1.2136	1.2142	-0.40%	742	-7.3%	743	-7.2%	78	-65.6%
USDJPY Nov Fut	149.97	150.51	149.97	150.34	0.37%	1,648	32.6%	1,852	28.2%	642	55.8%

Technical Levels

Currency Pair	Close	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA	RSI
USDINR Nov Fut	83.37	83.36	83.16	83.26	83.32	83.41	83.45	83.55	83.32	83.36	53.70
EURINR Nov Fut	88.03	88.09	87.57	87.83	87.93	88.19	88.34	88.60	88.22	88.21	44.24
GBPINR Nov Fut	101.22	101.25	100.75	101.00	101.11	101.36	101.50	101.75	101.13	101.49	43.10
JPYINR Nov Fut	55.42	55.43	54.94	55.19	55.30	55.55	55.68	55.92	55.73	56.14	22.31
EURUSD Nov Fut	1.0558	1.0567	1.0493	1.0530	1.0544	1.0581	1.0604	1.0641	1.0589	1.0574	44.11
GBPUSD Nov Fut	1.2142	1.2146	1.2100	1.2123	1.2132	1.2155	1.2169	1.2192	1.2133	1.2159	44.40
USDJPY Nov Fut	150.34	150.27	149.19	149.73	150.04	150.58	150.81	151.35	149.72	149.48	63.32

USDINR Oct Month Option Charts



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HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

For grievance redressal contact Customer Care Team Email: customer-care@hdfcsec.com Phone: (022) 3901 9400

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