

# HDFC Securities Retail Research

## Currency Insights Weekly

28 November 2023



## Currency Movements

Name	24-Nov-23	17-Nov-23	Change	% Change
Spot USDINR	83.375	83.27	0.105	0.13%
DXY Index	103.403	103.917	-0.514	-0.49%
EURUSD	1.0939	1.0915	0.002	0.22%
GBPUSD	1.2603	1.2462	0.014	1.13%
USDJPY	149.44	149.63	-0.190	-0.13%
USDCNH	7.1493	7.2173	-0.068	-0.94%
USDINR 1M FWD	83.40	83.29	0.110	0.13%
India 10 Yr. Yield	7.270	7.216	0.054	0.75%
US 10 Yr. Yield	4.4665	4.4354	0.031	0.70%

## Global Indices

Name	24-Nov-23	17-Nov-23	Change	% Change
Nifty	19794.7	19731.8	63	0.32%
Sensex	65970.0	65794.7	175	0.27%
Hang Seng	17559.4	17454.2	105	0.60%
Nikkei	33625.5	33585.2	40	0.12%
Shanghai	3041.0	3054.4	-13	-0.44%
S&P Index	4559.3	4514.0	45	1.00%
Dow Jones	35390.2	34947.3	443	1.27%
Nasdaq	15982.0	15838.0	144	0.91%
FTSE	7488.2	7504.3	-16	-0.21%
CAC	7292.8	7233.9	59	0.81%
DAX	16029.5	15919.2	110	0.69%

## Market Round-up

- The rupee closed at a record low due to increased dollar demand from oil companies and foreign banks purchased on behalf of its custodian clients; however, the RBI intervened to stop the rupee from a sharper fall.
- The dollar index closed for its first back-to-back weekly drop since July, after mixed US macro data and traders anticipate the Federal Reserve will take a less aggressive approach.
- Inflation and employment growth in the US economy tend to be declining, and disappointing S&P PMIs indicated that the economy was weakening.
- Treasury yields advance across the curve; US 10-year gains by 0.70% to 4.47; bonds pressured after German yields jumped on the government's announcement of debt-brake suspension.
- The euro is grinding higher against the US dollar, registering a straight-second weekly gain. The pair has rallied almost 5% from early October's low of 1.0448.
- **USDINR Outlook:** In a broader sense, the rupee has underperformed in the recent dollar decline, and we anticipate the same trend will continue in the short term. The USDINR pair has neither closed below 83.20 nor moved above 83.45 in the last few weeks. Any break above 83.45 will take it to 83.60, and a move above 83.60 may take it to the 84.0 level. On the flip side, below 83.20, the next support is at 83.0/82.80.
- **Week Ahead :** The main focus this week is on the Federal Reserve's preferred inflation measures tool, the PCE price index, which will be published on Thursday. The US GDP data will be released on Wednesday. Manufacturing PMI data from China and the US will be published on Thursday and Friday, respectively.

## USDINR Dec Futures Daily Chart



### Technical Observations:

- USDINR pair hovering above the 21-day exponential moving average. It has been trading in the range of 83.20 to 83.45.
- Momentum oscillator, RSI has been placed slightly above 50 and flatten indicates neutral momentum.
- The pair has support at 83.0 and resistance at 83.60.
- Looking at the above technical evidence, chart patterns and derivative data, the outlook for USDINR turns neutral.
- **Buy USDINR Dec Fut above 83.45 SL 83.36 Target 83.60**

## EURINR Dec Futures Daily Chart



### Technical Observations:

- The EURINR pair was well placed above the 50-DEMA. The price is forming a higher high and a higher bottom on the daily chart, and we expect the same trend to continue in the short term.
- Momentum oscillator RSI has been placed near the 70 mark and indicates bullish momentum.
- A long buildup has been seen as the price increased, and open interest and volume were also gained.
- The pair has support at 90.00 and resistance at 92.80.
- **Buy EURINR Dec Fut at 90.70 SL 88.40 Target 92.50**

## GBPINR Dec Futures Daily Chart



INWZ3 Curncy (NSE GBPINR Future Dec23) Graph 1102 Daily 28AUG2023-26NOV2023 Copyright© 2023 Bloomberg Finance L.P. 26-Nov-2023 14:31:19

### Technical Observations:

- GBPINR Dec fut formed a higher high and a higher bottom, and positive moving averages crossed over to indicate a bullish trend.
- The pair has support at 102.95 (50 DEMA) and static resistance at 105.80.
- A relative strength index of 14 days near 70 with upward directions is indicating a bullish trend in place.
- **Buy GBPINR Dec Fut at 104.25 SL 103.00 Target 105.50**

## JPYINR Dec Futures Daily Chart

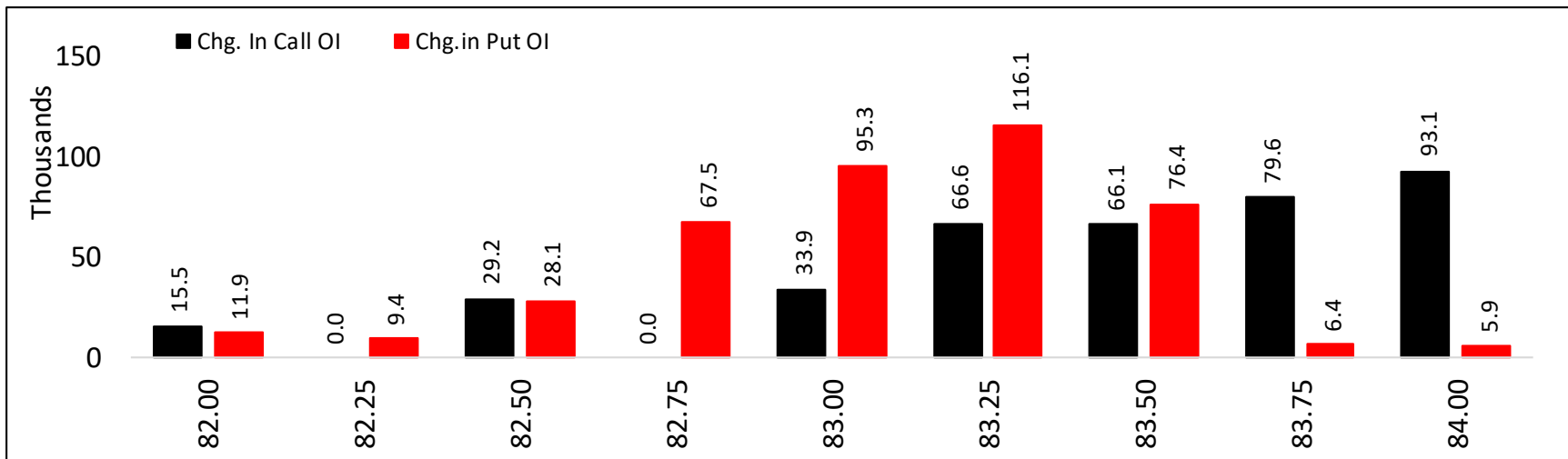
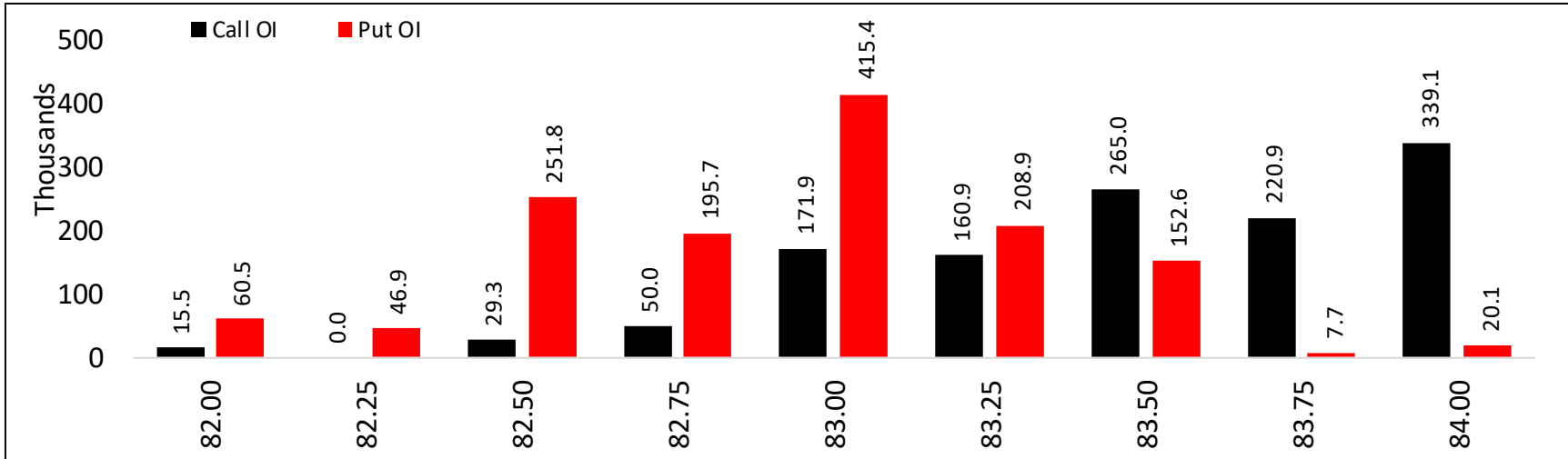


INYZ3 Curncy (NSE JPYINR Future Dec23) Graph 1102 Daily 28AUG2023-26NOV2023 Copyright© 2023 Bloomberg Finance L.P. 26-Nov-2023 14:32:26

### Technical Observations:

- JPYINR Dec fut pull back from high of 57.0 and closed slightly below 20DEMA.
- The pair has static resistance at 57 and support at 55.80.
- The price is expected to trade in this range in short term.
- The Relative Strength Index of 14 days has been turned negative but placed above its moving average.
- **Sell JPYINR Dec Fut at 56.50 SL 57.20 Target 55.0**

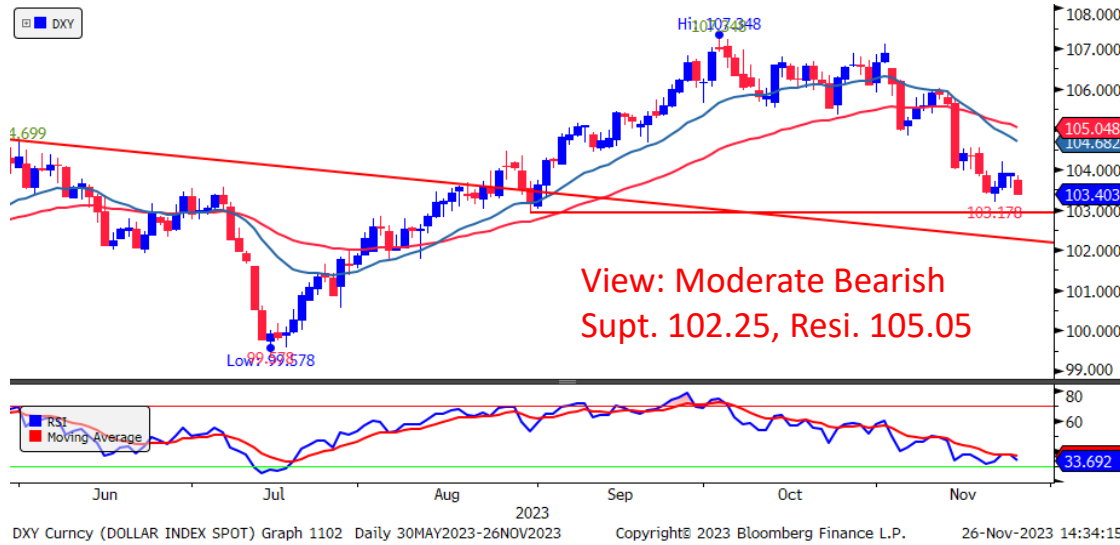
## USDINR Dec Month Option Distribution



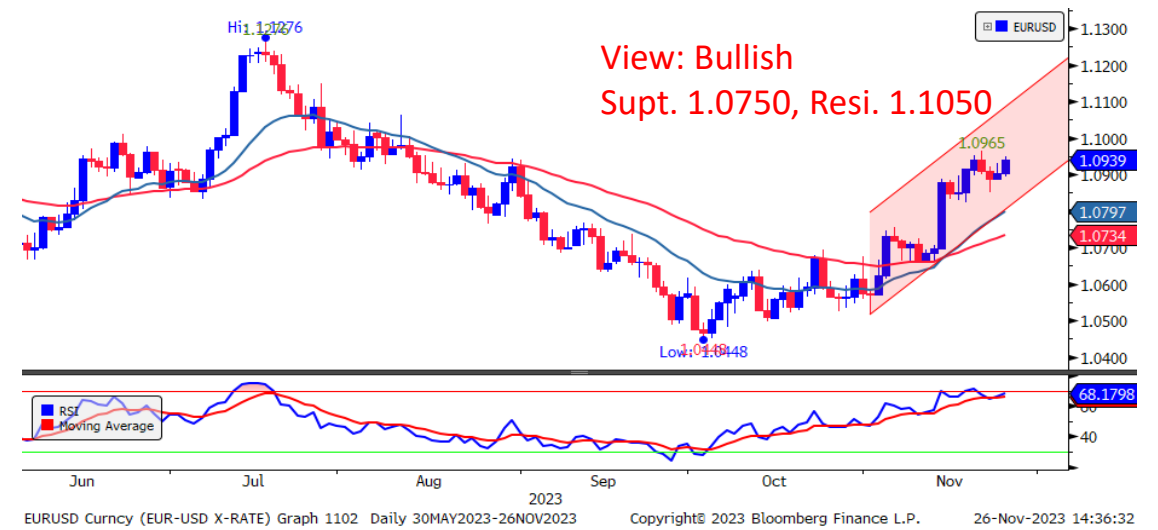
### Observations:

- Maximum open interest is observed on 83 strikes where the total open interest (OI) position is 5.873 lakh contracts.
- The high open interest addition has been seen on the 83.25 strikes with CE added 1.161 lakh contracts and PE 0.67 lakh contracts, in the week gone.
- The put-call ratio improved slightly to 0.79 from the previous week's 0.78.
- Looking at the option distribution belly, USDINR Dec fut has resistance at 84 and support at 83.
- **The option belly suggests USDINR trade in a broader range of 83 to 84.**

## Dollar Index Daily Chart



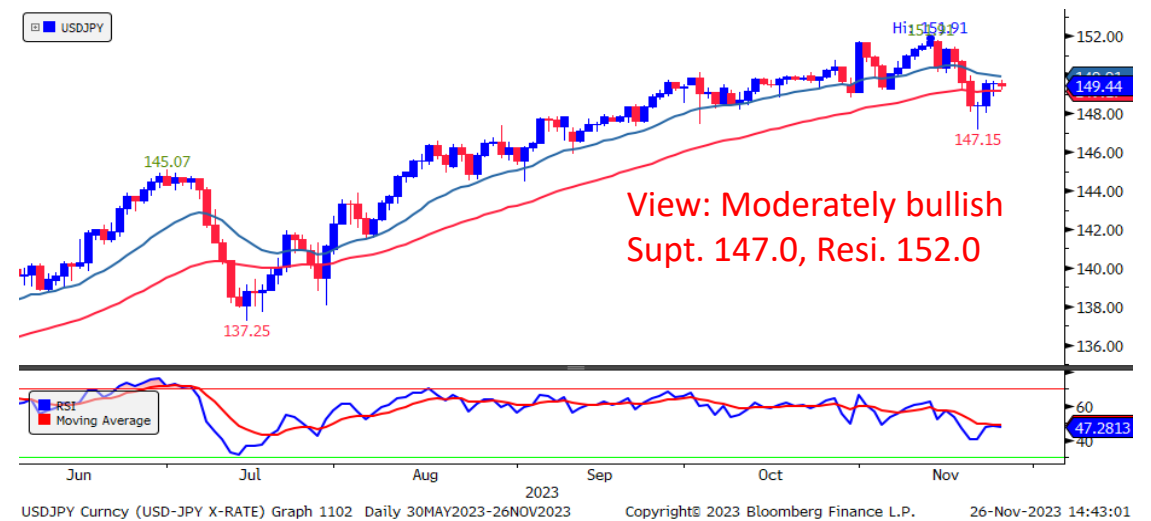
## EURUSD Daily Chart



## GBPUSD Daily Chart



## USDJPY Daily Chart



## Currency Derivative Price Actions

Currency Pair	High	Low	Close	Abs. Chg.	% Change	Open Interest	Chg. in OI	Agg. OI	Chg.in Agg. OI	Volume	Chg. Volume
USDINR Future Dec 23	83.4575	83.3000	83.4200	0.10	0.12%	3390160	1194565	7938644	2305225	1644304	1392704
EURINR Future Dec 23	91.5125	90.8400	91.0800	0.44	0.49%	131170	58410	291239	142606	66985	18339
GBPINR Future Dec 23	104.7875	103.8325	104.7325	1.20	1.16%	150366	89933	304285	65411	95324	45688
JPYINR Future Dec 23	57.0075	56.0750	56.1125	-0.03	-0.06%	53108	31436	127121	-15738	42011	15606
EURUSD Future Dec 23	1.0930	1.0590	1.0914	0.01	0.48%	895	887	10431	8371	893	893
GBPUSD Future Dec 23	1.2564	1.2389	1.2533	0.01	1.02%	2585	2573	11867	11093	18	5
USDJPY Future Dec 23	148.9900	146.8600	149.24	0.54	0.36%	60	36	714	-685	18	-6

## Technical Levels

Currency Pair	Pivot	Supt.2	Supt.1	Resi.1	Resi.2	5 DSMA	20 DSMA	50 DSMA	Upper Band	Lower Band	RSI
USDINR Future Dec 23	83.39	83.24	83.33	83.49	83.55	83.36	83.31	83.34	83.42	83.18	54.94
EURINR Future Dec 23	91.14	90.47	90.78	91.45	91.82	91.01	89.58	88.93	91.70	87.44	68.14
GBPINR Future Dec 23	104.45	103.50	104.11	105.07	105.41	104.40	102.73	102.31	105.17	100.29	68.11
JPYINR Future Dec 23	56.40	55.47	55.79	56.72	57.33	56.12	55.69	56.21	56.40	54.95	47.86
EURUSD Future Dec 23	1.0811	1.0471	1.0693	1.1033	1.1151	1.0917	1.0753	1.0668	1.1007	1.0498	66.30
GBPUSD Future Dec 23	1.2495	1.2320	1.2427	1.2602	1.2670	1.2525	1.2323	1.2265	1.2617	1.2029	62.85
USDJPY Future Dec 23	148.36	146.23	147.74	149.87	150.49	148.55	149.61	148.79	151.41	147.82	51.39

Monday	Tuesday	Wednesday	Thursday	Friday
27 Nov	28 Nov	29 Nov	30 Nov	01 Dec
<b>India: Holiday</b> <b>China:</b> Industrial Profit <b>US:</b> New Home Sales	<b>US:</b> CBI Confidence, Richmond Fed Mfg. Index, Nationwide HPI	<b>UK:</b> Mortgage Approval <b>EU:</b> Consumer Confidence <b>US:</b> MBA Mortgage, GDP, Personal Consumption, Core PCE Price Index	<b>Japan:</b> Retail Sales, IIP, Housing starts <b>China:</b> PMI <b>EU:</b> CPI <b>India:</b> GDP, Eight Core Infra <b>US:</b> Personal Income & Spending, Initial & Conti. Jobless claims, Pending Home Sales	<b>Japan, China, India, EU, UK, US:</b> Mfg. PMI <b>US:</b> ISM Mfg.



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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](mailto:complianceofficer@hdfcsec.com) Phone: (022) 3045 3600

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