

HDFC securities Retail Research

Currency Daily

29 February 2024



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	82.934	82.900	0.034	0.04%
DXY Index	103.93	104.08	-0.15	-0.14%
EURUSD	1.0832	1.082	0.002	0.15%
GBPUSD	1.2663	1.265	0.001	0.09%
USDJPY	150.05	150.63	-0.580	-0.39%
USDCNH	7.2052	7.217	-0.012	-0.16%
US 10 Yr. Yield	4.276	4.284	-0.008	-0.18%
USDINR 1M FWD	83.01	83.03	-0.02	-0.02%
India 10 Yr. Yield	7.066	7.071	-0.005	-0.07%

Global Equity Markets

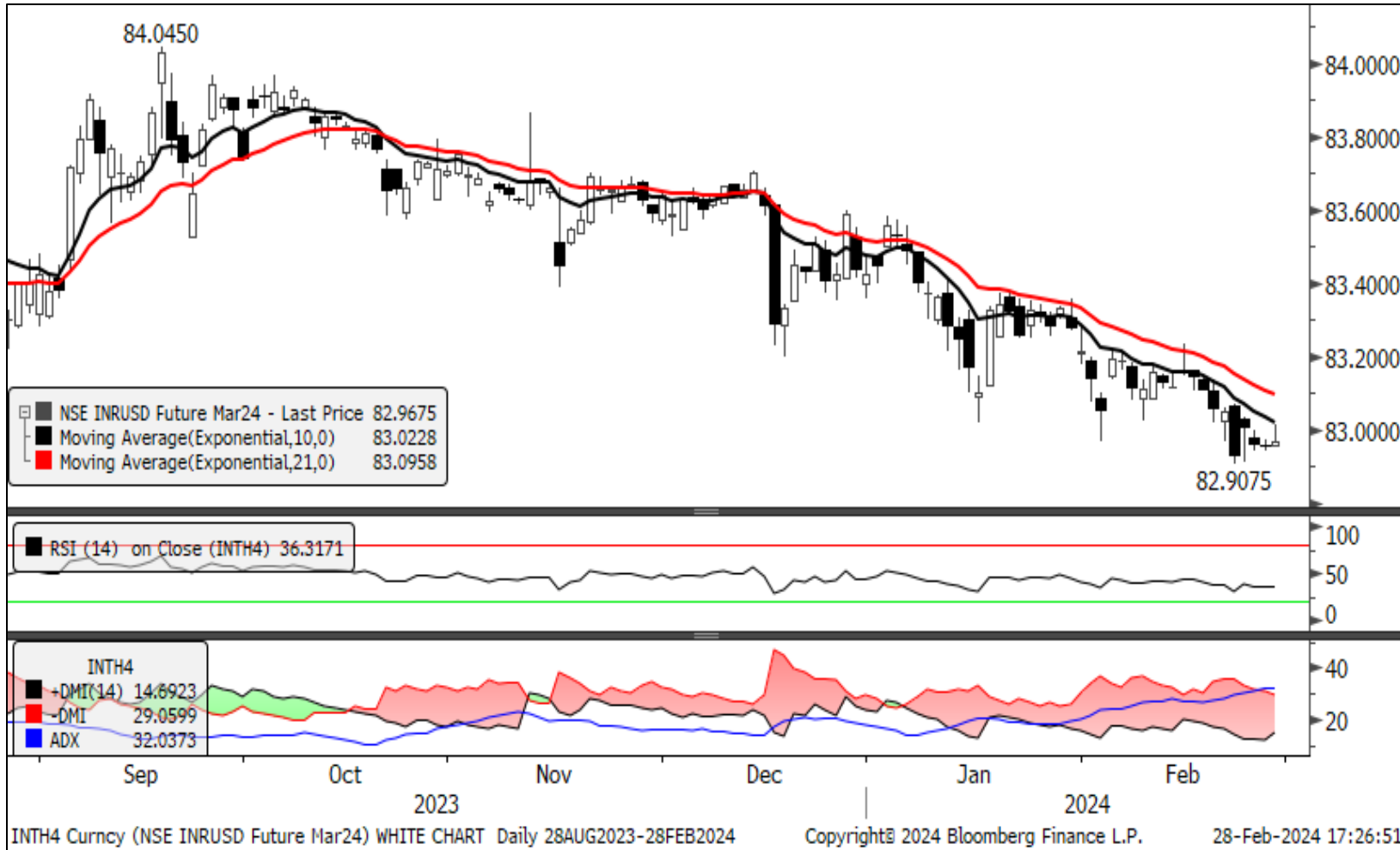
Name	Current Price	Previous Close	Change	% Change
Nifty	21951	22198	-247	-1.11%
Sensex	72305	73095	-790	-1.08%
Hang Seng	16573	16537	36	0.22%
Nikkie	38969	39208	-239	-0.61%
Shanghai	2982	2958	25	0.83%
S&P Index	5070	5078	-8	-0.17%
Dow Jones	38949	38972	-23	-0.06%
Nasdaq	17875	17971	-97	-0.54%
FTSE	7625	7683	-58	-0.76%
CAC	7954	7948	6	0.08%
DAX	17601	17556	45	0.25%

* Prev. Close 5pm IST

Market Roundup

- ▶ The Indian rupee is expected to open slightly higher following stronger regional currencies after a slower US growth reading. The implied opening from the forward markets suggests the USDINR opening at 82.91. The pair is expected to remain under pressure and may touch the 200 DMA in the coming days. The broad range for the pair is 83.20 to 82.80.
- ▶ Indian rupee and sovereign bonds moved sideways ahead of the release of economic growth data on Thursday. Spot USDINR gained 3 paise to 82.93 on Wednesday.
- ▶ In India, economic reports due Thursday include fourth-quarter GDP data. The economy probably grew 6.6% in the period, compared with a 7.6% growth in the previous quarter.
- ▶ Equities were broadly lower in Asia and Treasuries steadied after a Wednesday rally ahead of the Federal Reserve's key inflation metric that will help identify the path forward for interest rates.
- ▶ The dollar marked its best day in the two weeks ahead of a key inflation report coming Thursday as Federal Reserve officials highlight their scrutiny of economic data. The US economy expanded slightly slower at the end of 2023 as a downward revision to inventories masked stronger household spending and investment. The report comes ahead of the Fed's favoured inflation gauge due Thursday and was broadly supportive of the caution voiced by Fed officials in recent weeks.
- ▶ In commodities, oil extended declines Thursday following a fall in prices for West Texas Intermediate in the previous session.
- ▶ Three Fed officials said they depend on incoming economic data, suggesting that reducing borrowing costs may look different from previous rate-cutting cycles.
- ▶ Traders are currently pricing around 80 basis points of easing by year-end — almost in line with what officials in December indicated as the likeliest outcome.

USDINR March Futures Daily Chart



Technical Observations:

- ▶ USDINR March futures formed a gravestone doji candlestick pattern indicating indecisiveness.
- ▶ The pair has been trading well below short-term moving averages.
- ▶ Momentum Oscillator, RSI of 14 days period is almost flat and is placed below 50.
- ▶ ADX line has been heading north with -DI placed above +DI exhibiting a continuation of a bearish trend.
- ▶ Minor long buildup has been seen as the price and open interest gained.
- ▶ **Short Term Trend: Bearish**
- ▶ **Expected Trading Range: 83.15 to 82.90**
- ▶ **Intraday Recommendation: Sell USDINR Mar. Fut. at 83.03 SL 83.13 Target 82.88**

Currency Derivative Price Actions

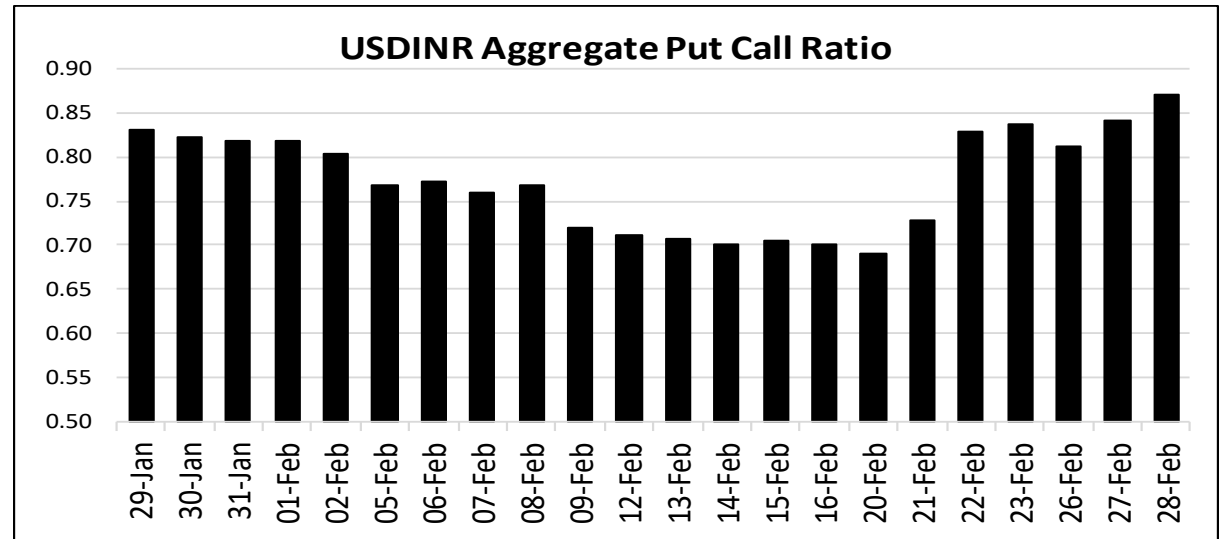
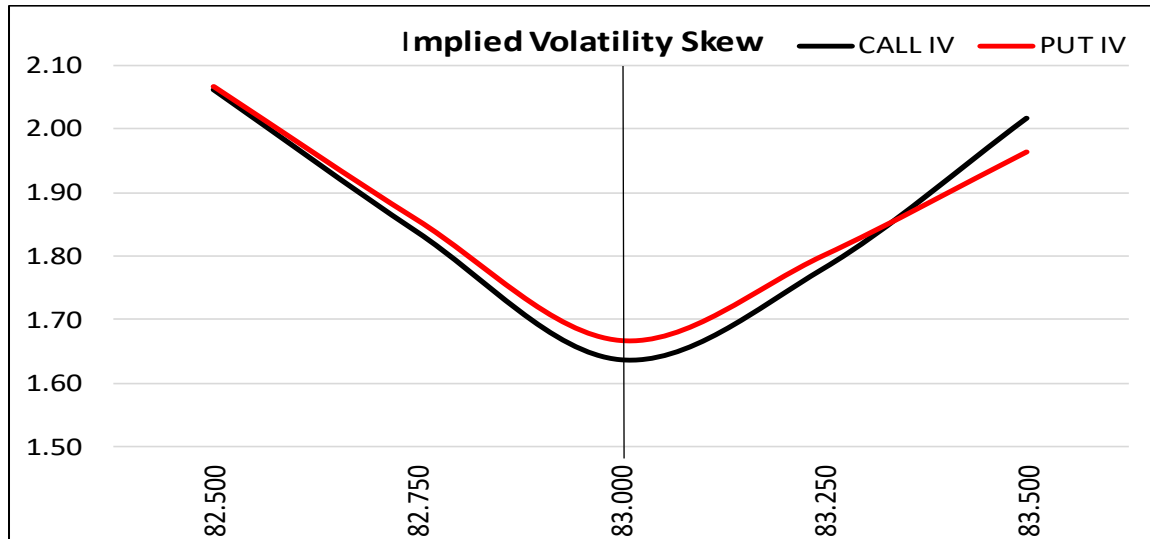
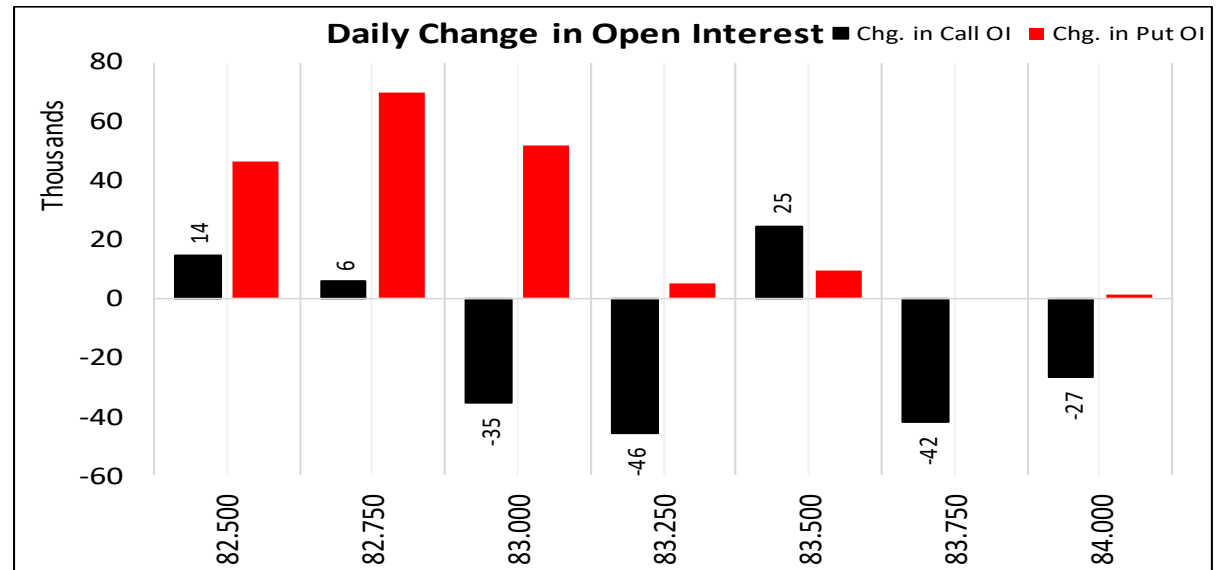
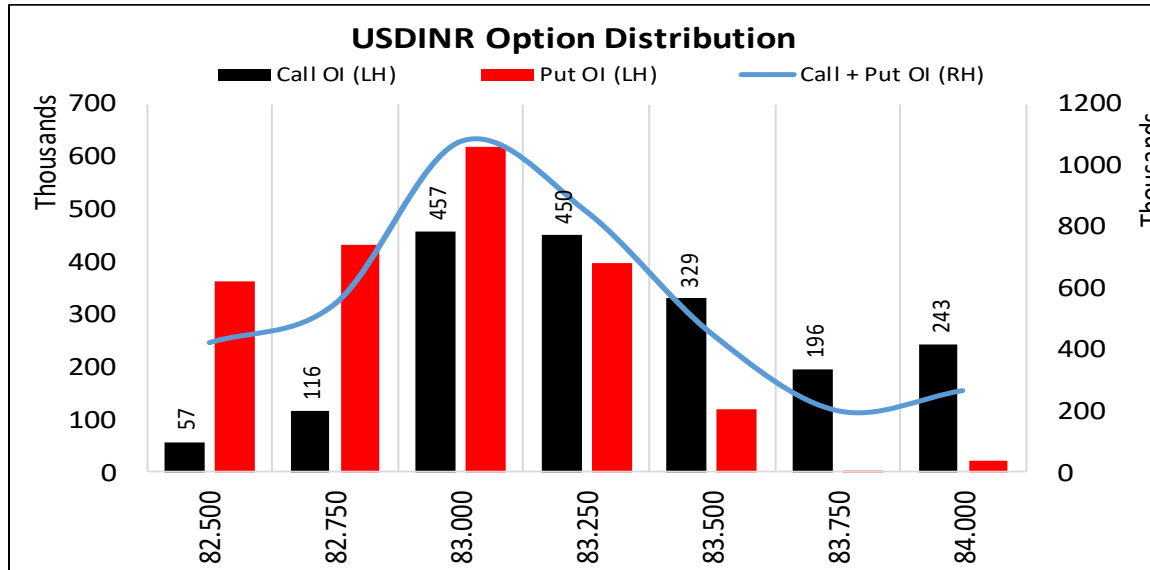
Currency Pair	Open	High	Low	Close	Prev. Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Mar Fut	82.9600	83.0175	82.9550	82.9725	82.9575	0.02%	2,169,420	2.1%	4,976,597	-16.9%	1,476,883	-24.9%
EURINR Mar Fut	89.9725	90.0150	89.7375	89.8400	90.1000	-0.29%	106,854	-7.8%	140,690	-20.0%	160,122	4.1%
GBPINR Mar Fut	105.1875	105.1900	104.7950	104.9700	105.2000	-0.22%	199,520	7.0%	257,327	-28.1%	297,478	32.9%
JPYINR Mar Fut	55.4700	55.4775	55.3400	55.4075	55.4850	-0.14%	134,971	5.7%	153,393	-15.6%	64,728	-45.1%
EURUSD Mar Fut	1.0851	1.0851	1.0818	1.0831	1.0868	-0.34%	512	438.9%	512	15.6%	475	259.8%
GBPUSD Mar Fut	1.2650	1.2657	1.2630	1.2657	1.2680	-0.18%	270	-10.3%	271	-37.1%	83	-73.3%
USDJPY Mar Fut	149.69	149.96	149.69	149.83	149.50	0.22%	196	3.2%	196	-73.3%	21	-4.5%

Technical Levels

Currency Pair	Trend*	Close	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA	RSI
USDINR Mar Fut	Bullish	82.97	82.98	82.86	82.92	82.95	83.01	83.04	83.11	82.97	83.09	36.81
EURINR Mar Fut	Bearish	89.84	89.86	89.31	89.59	89.71	89.99	90.14	90.42	90.00	89.82	44.58
GBPINR Mar Fut	Bearish	104.97	104.99	104.20	104.59	104.78	105.18	105.38	105.78	105.13	104.95	47.85
JPYINR Mar Fut	Bearish	55.41	55.41	55.13	55.27	55.34	55.48	55.55	55.68	55.47	56.09	26.84
EURUSD Mar Fut	Bearish	1.0831	1.0833	1.0767	1.0800	1.0816	1.0849	1.0866	1.0899	1.0853	1.0799	49.80
GBPUSD Mar Fut	Bearish	1.2657	1.2648	1.2594	1.2621	1.2639	1.2666	1.2675	1.2702	1.2677	1.2619	51.63
USDJPY Mar Fut	Bearish	149.83	149.83	149.29	149.56	149.69	149.96	150.10	150.37	149.99	149.21	60.15

* Trend Auto generated with the help of Moving Average

USDINR March Month Option Charts



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