

HDFC securities Retail Research

Currency Daily

20 February 2024



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.015	83.043	-0.028	-0.03%
DXY Index	104.40	104.31	0.09	0.09%
EURUSD	1.0764	1.077	-0.001	-0.08%
GBPUSD	1.2584	1.259	-0.001	-0.07%
USDJPY	150.31	150.25	0.060	0.04%
USDCNH	7.2089	7.218	-0.010	-0.13%
US 10 Yr. Yield	4.307	4.265	0.041	0.97%
USDINR 1M FWD	83.10	83.09	0.01	0.01%
India 10 Yr. Yield	7.099	7.088	0.011	0.16%

Global Equity Markets

Name	Current Price	Previous Close	Change	% Change
Nifty	22122	22041	82	0.37%
Sensex	72708	72427	282	0.39%
Hang Seng	16130	16156	-26	-0.16%
Nikkie	38489	38470	18	0.05%
S&P Index	5006	5030	-24	-0.48%
Dow Jones	38628	38773	-145	-0.37%
Nasdaq	17686	17846	-160	-0.90%
FTSE	7729	7712	17	0.22%
CAC	7769	7768	0	0.00%
DAX	17092	17117	-25	-0.15%

Market Roundup

- ▶ The Indian rupee will start the week on a mute note after a long week-end. Indian forex market was closed on Monday on account of “Shivaji Jayanti”. The recovery in the Chinese currency after the PBOC rate cut could support the rupee in opening trade but the risk-averse moods, higher crude oil prices and foreign fund outflow will continue to weigh on the local rupee.
- ▶ Implied opening from forward suggests spot USDINR may start trading around 83.03.
- ▶ On Friday, spot USDINR closed with a loss of 3 paise to 83.015. The pair traded in a tight range of 83.15 to 82.90 in the prior week. Going ahead, we expect the consolidation could further extend as there is a lack of fresh triggers for directional trends.
- ▶ Chinese banks cut a key reference rate for mortgages by a record amount. The five-year loan prime rate was lowered by 25 basis points to 3.95%, according to a statement by the People’s Bank of China on Tuesday. That was the first cut since June and the largest reduction since a revamp of the rate was rolled out in 2019. The one-year loan prime rate was maintained at 3.45%.
- ▶ Oil held near the highest level in more than three months following another Houthi strike on a commercial ship in the Red Sea. The crew abandoned the vessel, the first such evacuation since the militant group began menacing trade late last year.
- ▶ Markets await fresh drivers to continue timing the start of the Fed’s easing cycle. FOMC’s January meeting minutes are due on Wednesday.

USDINR February Futures Daily Chart



Technical Observations:

- ▶ USDINR February futures closed slightly below 10 DEMA.
- ▶ The 10 DEMA is placed below 21 DEMA.
- ▶ Momentum Oscillator, RSI of 14 days period is placed below 50.
- ▶ MACD has been placed below a zero line.
- ▶ The pair has been lacking direction and oscillating around short-term moving averages.
- ▶ Minor short buildup has been seen as price fell while open interest gained.
- ▶ **Short Term Trend: Sideways**
- ▶ **Expected Trading Range: 83.15 to 82.82**
- ▶ **Intraday Recommendation: Sell USDINR Feb. Fut. below 82.95 SL 83.07 Target 82.81**

Currency Derivative Price Actions

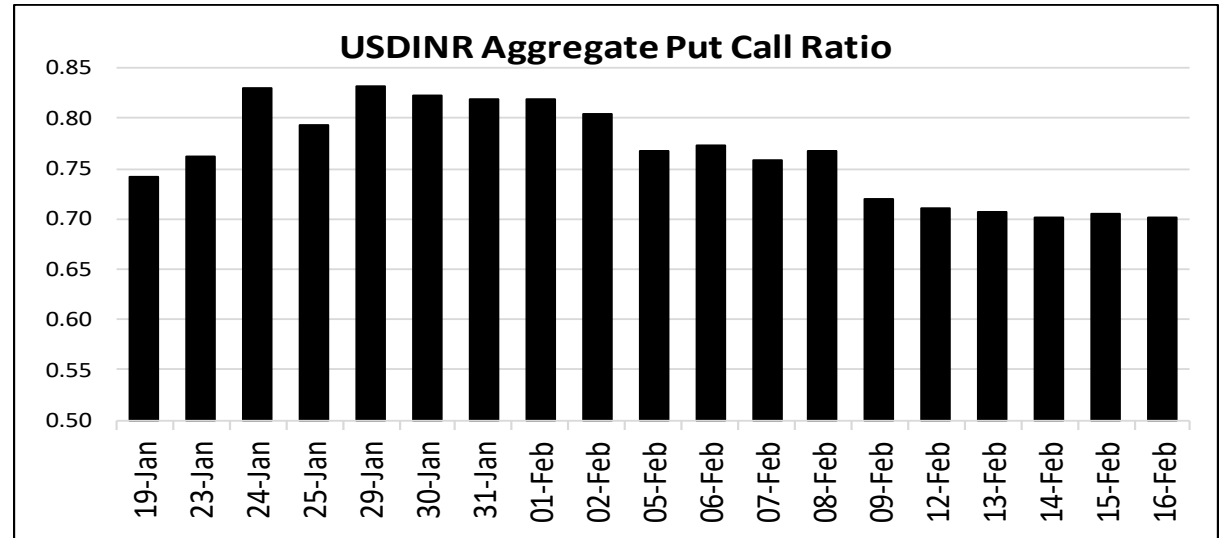
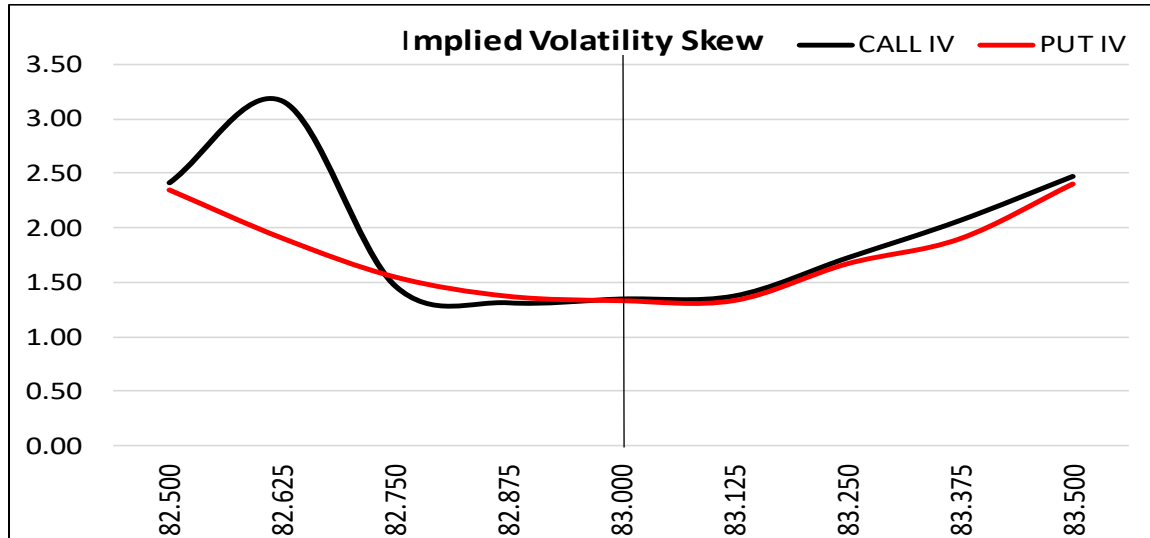
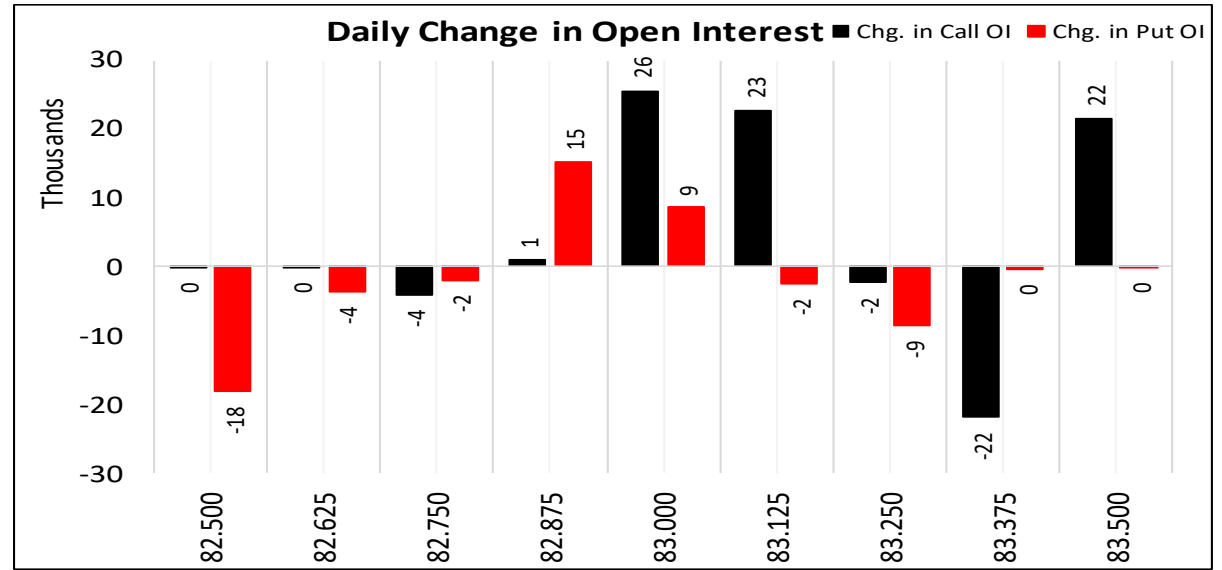
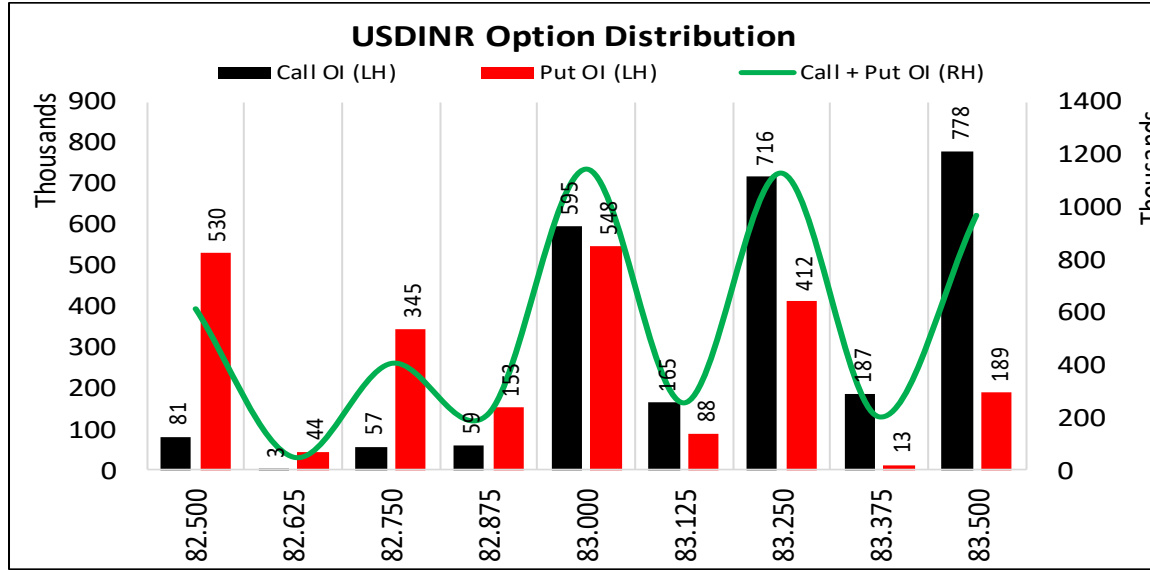
Currency Pair	Open	High	Low	Close	Prev. Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Feb Fut	83.0525	83.0650	83.0300	83.0350	83.0675	-0.04%	2,424,646	2.3%	5,496,355	1.0%	846,607	-3.9%
EURINR Feb Fut	89.3725	89.5250	89.3650	89.5000	89.2575	0.27%	149,991	-5.0%	213,355	-1.4%	130,385	-3.6%
GBPINR Feb Fut	104.4225	104.7025	104.4225	104.5800	104.3100	0.26%	192,005	-10.3%	261,153	-8.7%	215,441	37.9%
JPYINR Feb Fut	55.4050	55.4350	55.3500	55.4025	55.4950	-0.17%	143,528	2.1%	191,959	4.5%	34,679	-27.8%
EURUSD Feb Fut	1.0763	1.0777	1.0763	1.0777	1.0746	0.29%	8,927	-0.3%	9,028	-0.4%	182	-3.2%
GBPUSD Feb Fut	1.2580	1.2600	1.2579	1.2598	1.2558	0.32%	2,941	0.0%	2,942	0.0%	44	-40.5%
USDJPY Feb Fut	149.79	150.17	149.74	149.77	149.64	0.09%	676	4.3%	699	4.2%	71	47.9%

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 Feb Fut	Bearish	83.04	83.04	82.97	83.01	83.02	83.06	83.08	83.11	83.05	83.12	41.23
EURINR Feb Fut	Bearish	89.50	89.46	89.14	89.30	89.40	89.56	89.62	89.78	89.37	89.92	40.97
GBPINR Feb Fut	Bearish	104.58	104.57	104.01	104.29	104.43	104.71	104.85	105.13	104.63	105.12	44.54
JPYINR Feb Fut	Bearish	55.40	55.40	55.23	55.31	55.36	55.44	55.48	55.57	55.57	56.27	29.32
EURUSD Feb Fut	Bearish	1.0777	1.0772	1.0744	1.0758	1.0768	1.0782	1.0786	1.0800	1.0759	1.0817	43.81
GBPUSD Feb Fut	Bearish	1.2598	1.2592	1.2550	1.2571	1.2585	1.2606	1.2613	1.2634	1.2599	1.2648	46.74
USDJPY Feb Fut	Bullish	149.77	149.89	149.03	149.46	149.62	150.05	150.32	150.75	149.46	147.99	64.87

* Trend Auto generated with the help of Moving Average

USDINR February Month Option Charts



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