

HDFC securities Retail Research

Currency Daily

15 December 2023



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.328	83.403	-0.075	-0.09%
DXY Index	101.96	102.40	-0.432	-0.42%
EURUSD	1.0996	1.0923	0.007	0.67%
GBPUSD	1.2766	1.2672	0.009	0.74%
USDJPY	142.03	141.31	0.720	0.51%
USDCNH	7.1246	7.1406	-0.016	-0.22%
US 10 Yr. Yield	3.947	3.947	0.000	0.00%
USDINR 1M FWD	83.390	83.410	-0.020	-0.02%
India 10 Yr. Yield	7.197	7.259	-0.062	-0.85%

Global Equity Markets

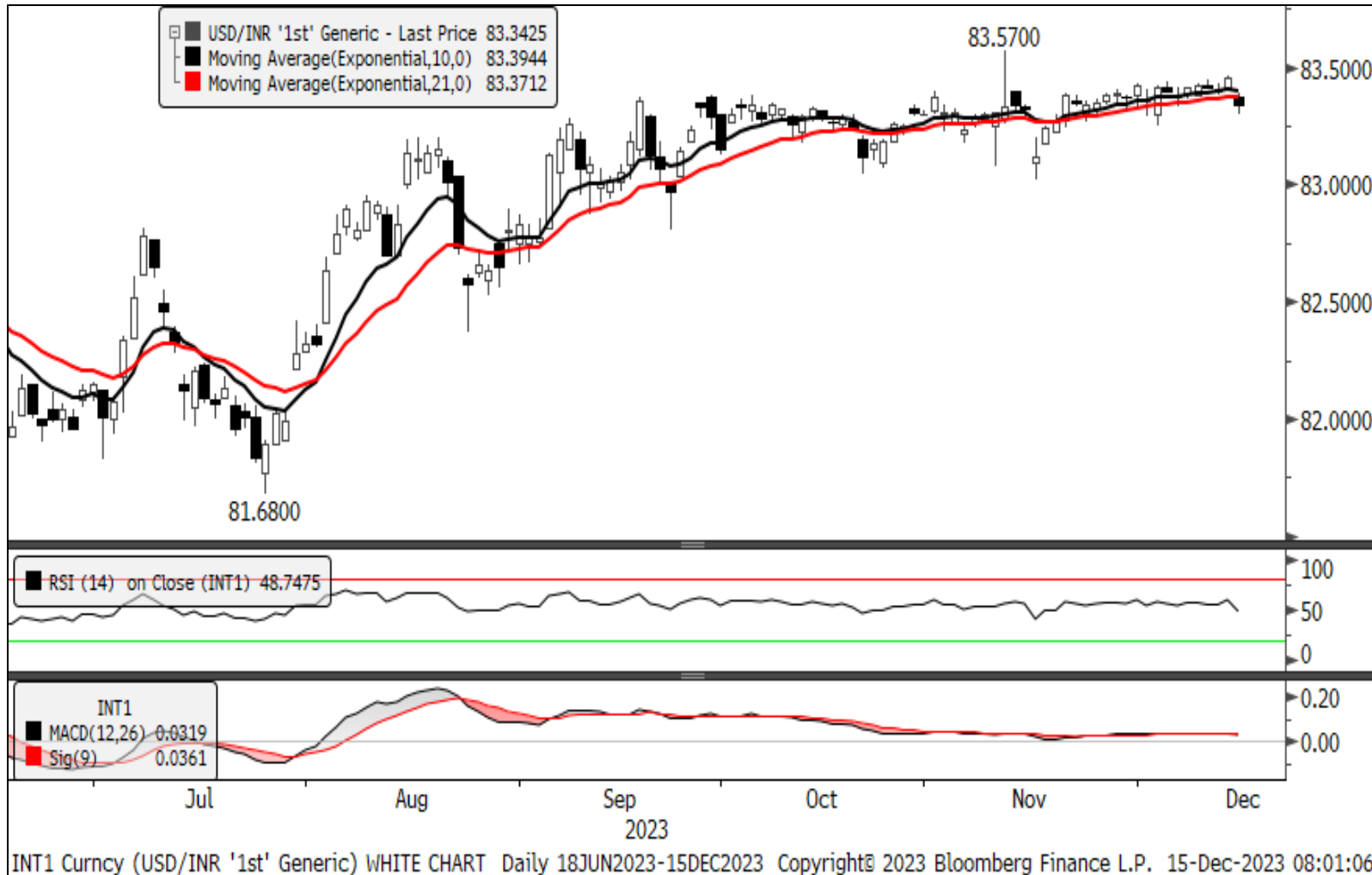
Name	Current Price	Previous Close	Change	% Change
Nifty	21183	20926	256	1.23%
Sensex	70514	69585	930	1.34%
Hang Seng	16774	16402	372	2.27%
Nikkie	33106	32686	420	1.28%
Shanghai	2962	2959	3	0.11%
S&P Index	4720	4707	12	0.26%
Dow Jones	37248	37090	158	0.43%
Nasdaq	16538	16562	-25	-0.15%
FTSE	7649	7548	101	1.33%
CAC	7576	7531	45	0.59%
DAX	16752	16766	-14	-0.08%

* Prev. Close 5pm IST

Market Roundup

- ▶ The Indian rupee is expected to open slightly higher following overnight weakness in the greenback after dovish Federal Reserves and hawkish other major central banks. In the absence of a dovish consensus across major central banks, the bias adopted by the Federal Reserve stands as the predominant force driving risk assets to conclude the year on a positive note while adding pressure on the haven dollar. The European Central Bank resisted succumbing to market easing pressures, while the Bank of England maintained a hawkish position. The policy and macro divergence are about to play in the currency.
- ▶ The implied opening from the forward suggests spot USDINR may start trading around 83.31. On Thursday, the pair slipped 0.1% to 83.3275 and the 10-year yields fell 6bps to 7.2%. The forward premium is expected to start pricing in the rate differential as we head next year.
- ▶ Technically, spot USDINR is holding the support of 83.25 and resisting near 83.50. Historical studies of the last five years indicate second half of December remains weak for the pair as most of the adjustments are done by the FX traders before heading for a Christmas vacation.
- ▶ A two-day slide in the dollar after a series of central-bank policy decisions leaves the US currency trading at its lowest level since early August. The yen ended a three-day gain as traders were adjusting their positions ahead of the weekend and before the Bank of Japan's policy decision next week.
- ▶ The Chinese yuan appreciated versus the dollar after The People's Bank of China injected a record amount of cash via one-year policy loans as it seeks to support an economy suffering from a property market crisis and weak demand.
- ▶ On Thursday, the ECB kept interest rates on hold for a second meeting, adding that it will step up its exit from pandemic-era stimulus. The Bank of England also kept interest rates at a 15-year high. Governor Andrew Bailey said in a statement that "there is still some way to go" in the fight to control inflation.

USDINR Dec Futures Daily Chart



Technical Observations:

- ▶ USDINR Dec future closed below 21 days moving average almost after a month.
- ▶ The 10 DEMA is about to cross 21 DEMA downward.
- ▶ Momentum Oscillator, RSI of 14 days period turned down and weakened below 50 on the daily chart.
- ▶ MACD has been placed above a zero line but on a flat line.
- ▶ Long unwinding has been seen as price and open interest declined.
- ▶ **Short Term Trend: Neutral/sideways**
- ▶ **Expected Trading Range: 83.30 to 83.50**
- ▶ **Intraday Recommendation: (Hold) Sell USDINR Dec. Fut. at 83.45/83.48 SL 83.53 Target 83.32**

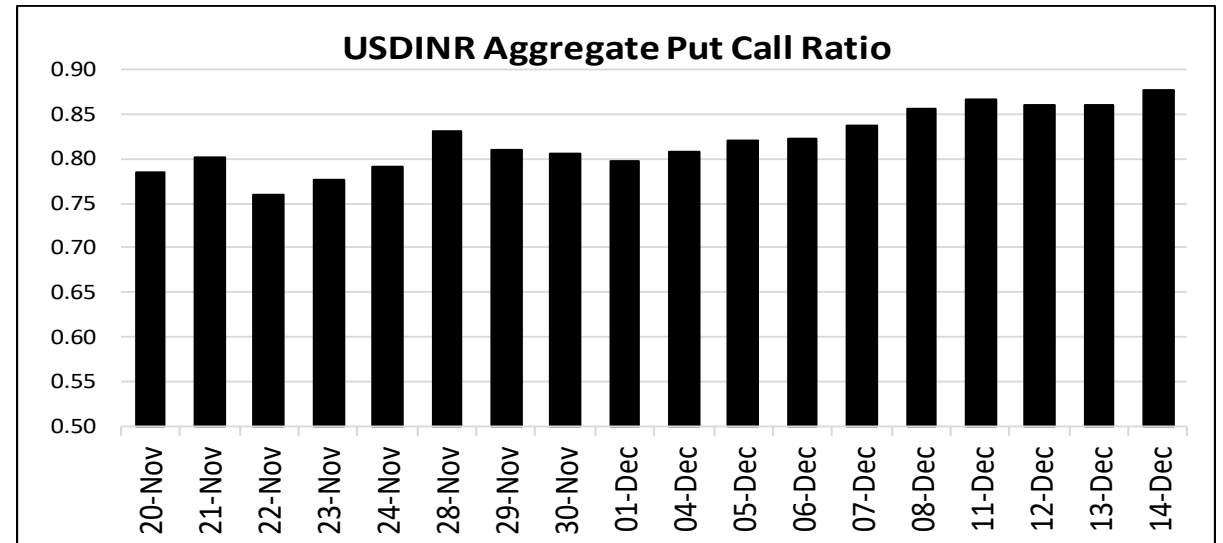
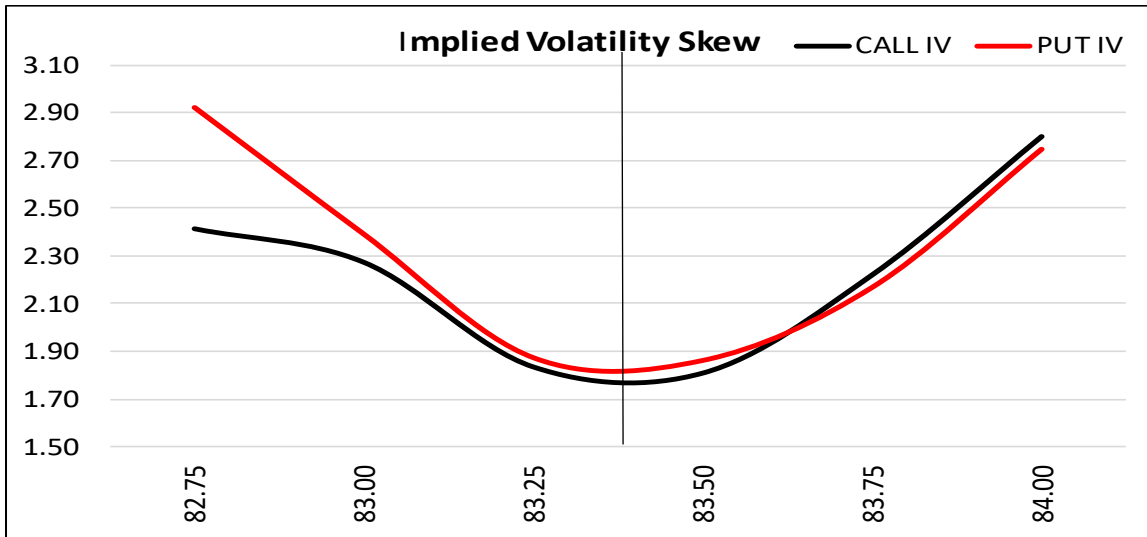
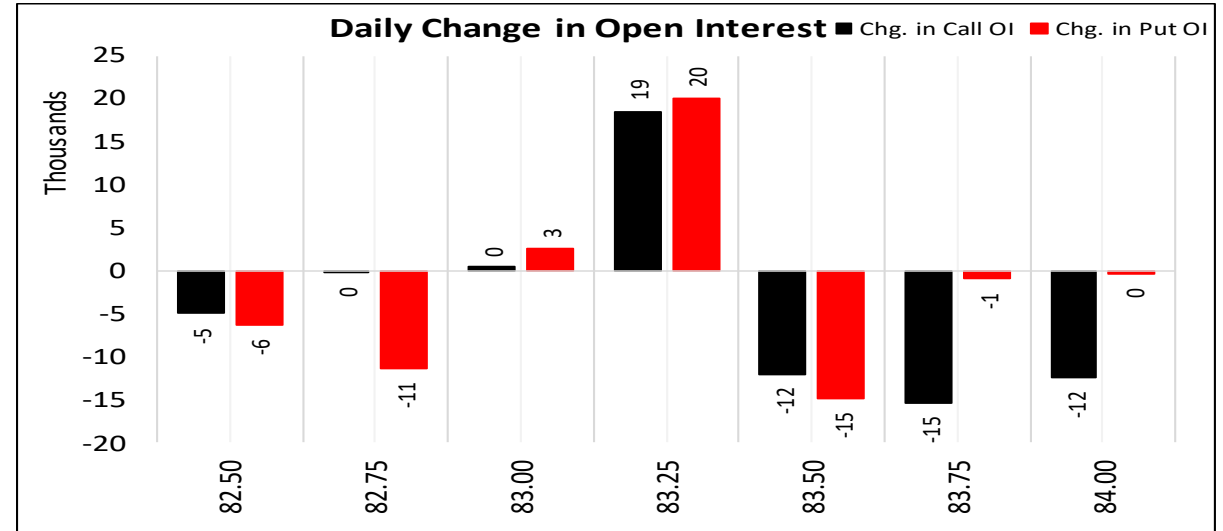
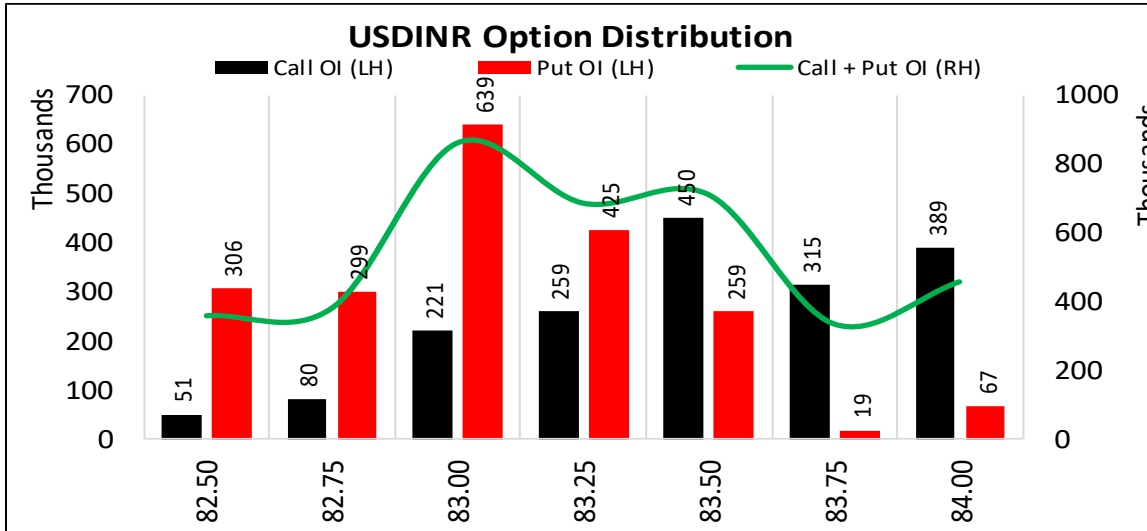
Currency Derivative Price Actions

Currency Pair	Open	High	Low	Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Dec Fut	83.3725	83.3875	83.3000	83.3425	-0.14%	4,149,020	-4.3%	5,907,918	-2.5%	1,830,226	37.6%
EURINR Dec Fut	90.8225	91.1075	90.7450	91.0450	1.15%	156,878	1.5%	266,802	21.9%	232,929	162.6%
GBPINR Dec Fut	105.2625	105.6350	105.1525	105.5700	1.06%	219,751	8.6%	324,861	15.8%	248,637	44.7%
JPYINR Dec Fut	58.7625	59.1700	58.7275	58.9950	2.70%	86,602	40.4%	116,408	47.7%	396,127	422.9%
EURUSD Dec Fut	1.0915	1.0930	1.0900	1.0926	1.27%	1,167	-20.9%	1,780	-15.2%	692	13740.0%
GBPUSD Dec Fut	1.2651	1.2675	1.2615	1.2666	1.17%	2,141	-12.6%	11,387	-3.5%	386	-83.7%
USDJPY Dec Fut	142.00	142.05	141.00	141.46	-2.60%	3,168	1763.5%	3,403	765.9%	3,127	6697.8%

Technical Levels

Currency Pair	Close	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA	RSI
USDINR Dec Fut	83.34	83.34	83.17	83.26	83.30	83.39	83.43	83.52	83.41	83.39	45.34
EURINR Dec Fut	91.05	90.97	90.24	90.60	90.82	91.19	91.33	91.69	90.23	90.70	60.84
GBPINR Dec Fut	105.57	105.45	104.49	104.97	105.27	105.75	105.94	106.42	104.95	104.84	64.23
JPYINR Dec Fut	59.00	58.96	58.08	58.52	58.76	59.20	59.41	59.85	57.82	56.89	70.40
EURUSD Dec Fut	1.0926	1.0919	1.0859	1.0889	1.0907	1.0937	1.0949	1.0979	1.0818	1.0814	61.73
GBPUSD Dec Fut	1.2666	1.2652	1.2532	1.2592	1.2629	1.2689	1.2712	1.2772	1.2583	1.2534	63.04
USDJPY Dec Fut	141.46	141.50	139.40	140.45	140.96	142.01	142.55	143.60	144.33	146.93	29.39

USDINR Dec Month Option Charts



Disclosure:

I, Dilip Parmar (MBA), authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Research Analyst or his/her relative or HDFC Securities Ltd. does have/ does not have any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate does not have any material conflict of interest.

Any holding in stock – No

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH00002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.

This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

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

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH00002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.