

HDFC Securities Retail Research

Currency Insights Weekly

15 January 2024



Currency Movements

Name	12-Jan-24	05-Jan-24	Change	% Change
Spot USDINR	82.9225	83.1625	-0.240	-0.29%
DXY Index	102.404	102.412	-0.008	-0.01%
EURUSD	1.0951	1.0943	0.001	0.07%
GBPUSD	1.2753	1.272	0.003	0.26%
USDJPY	144.88	144.63	0.250	0.17%
USDCNH	7.1893	7.1627	0.027	0.37%
USDINR 1M FWD	82.94	83.21	-0.270	-0.32%
India 10 Yr. Yield	7.179	7.235	-0.056	-0.77%
US 10 Yr. Yield	3.939	4.0457	-0.107	-2.64%

Global Indices

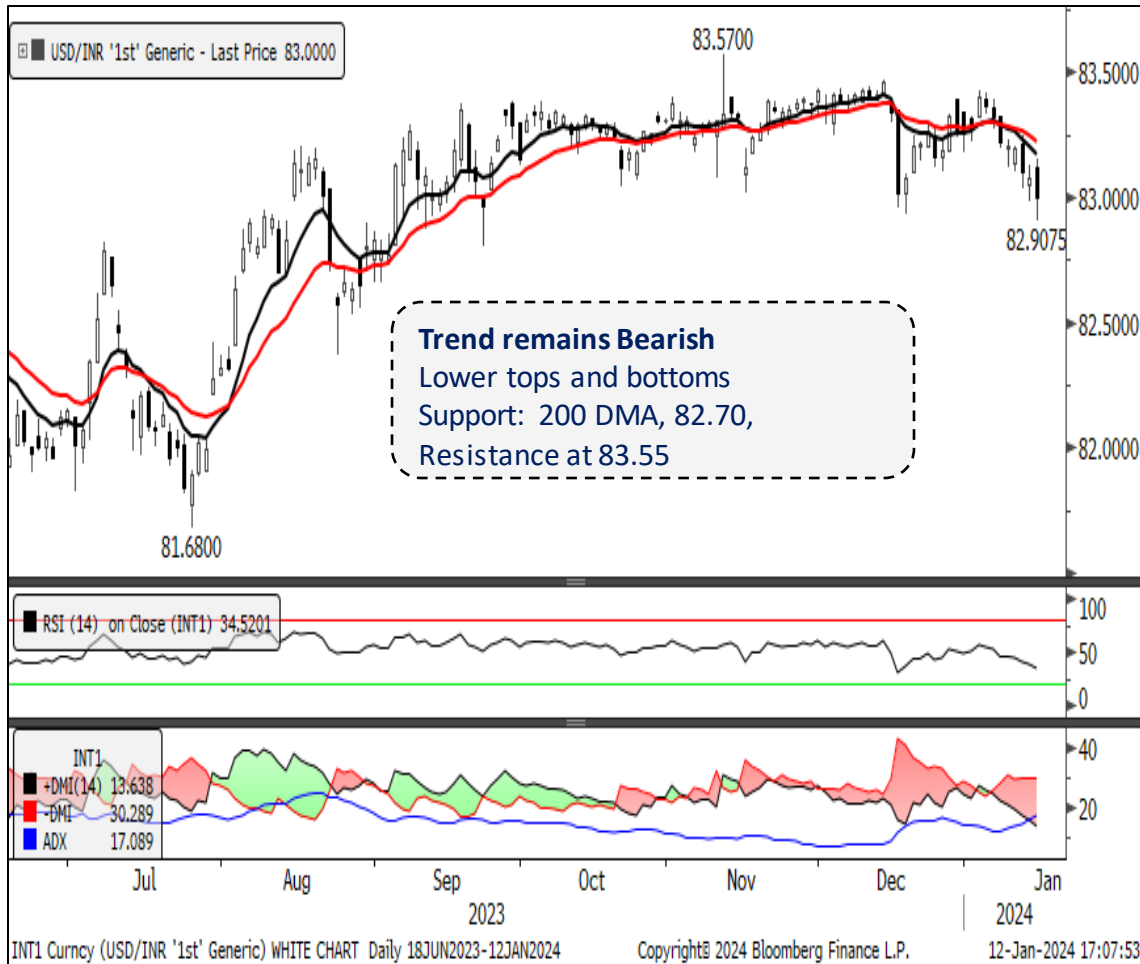
Name	12-Jan-24	05-Jan-24	Change	% Change
Nifty	21894.6	21710.8	184	0.85%
Sensex	72568.5	72026.2	542	0.75%
Hang Seng	16244.6	16535.3	-291	-1.76%
Nikkei	35577.1	33377.4	2200	6.59%
Shanghai	2882.0	2929.2	-47	-1.61%
S&P Index	4783.8	4697.2	87	1.84%
Dow Jones	37593.0	37466.1	127	0.34%
Nasdaq	16832.9	16306.0	527	3.23%
FTSE	7624.9	7689.6	-65	-0.84%
CAC	7465.1	7420.7	44	0.60%
DAX	16704.6	16594.2	110	0.66%

Market Round-up

- The Indian rupee gained for the eighth day in a trot to finish the week with a gain of 24 paise to 82.92, the strongest closing since Sept.2022 and the best performer among the Asian currencies amid high corporate dollar inflows, lower crude oil prices, central bank's dollar supply, better growth number and political stability. *This week's trade number and factory-level inflation will provide the near-term direction for the local rupee.*
- Key Developments:**
 - India's inflation accelerated to a four-month high as food prices climbed**, justifying the central bank's caution in keeping interest rates higher for longer. The consumer price index rose 5.69% in December from a year earlier, compared with a 5.55% reading in November, statistics ministry data showed Friday.
 - Forex reserves declined sharply by \$5.89bn to \$617.3bn** for the week ending January 5 after rising for four consecutive weeks. So far, this fiscal, the reserves have increased by \$55.72bn.
 - Last week, **Foreign institutions sold \$322mln in equities and \$271mln in debts.**
 - India's benchmark Nifty gained 0.85% to 21,894.6, after touching a record high of 21,928.25.**
 - Brent Crude oil whipsawed during the week before setting at \$78.29 with a loss of 0.6%** amid expectations of a slower pace of demand growth, while ample flows from non-OPEC+ countries loosen balances and keep a lid on prices.
 - The US and UK launched about 70 airstrikes on Houthi targets in Yemen early on Friday in a bid to stop the Iran-backed group's shipping attacks in the Red Sea.
 - A gauge of greenback strength was little changed, erasing early gains as two-year Treasury yields slid to the lowest level since May after declining producer prices in December.
 - PBOC refrained from cutting a key rate in Jan. as it focused more on direct support to loan growth.
- USDINR Outlook:** Spot USDINR is heading towards a 200-day simple moving average with a bearish formation of lower tops and bottoms on the daily chart. Momentum oscillators and indicators turned negative exhibiting continuation of a weak trend.

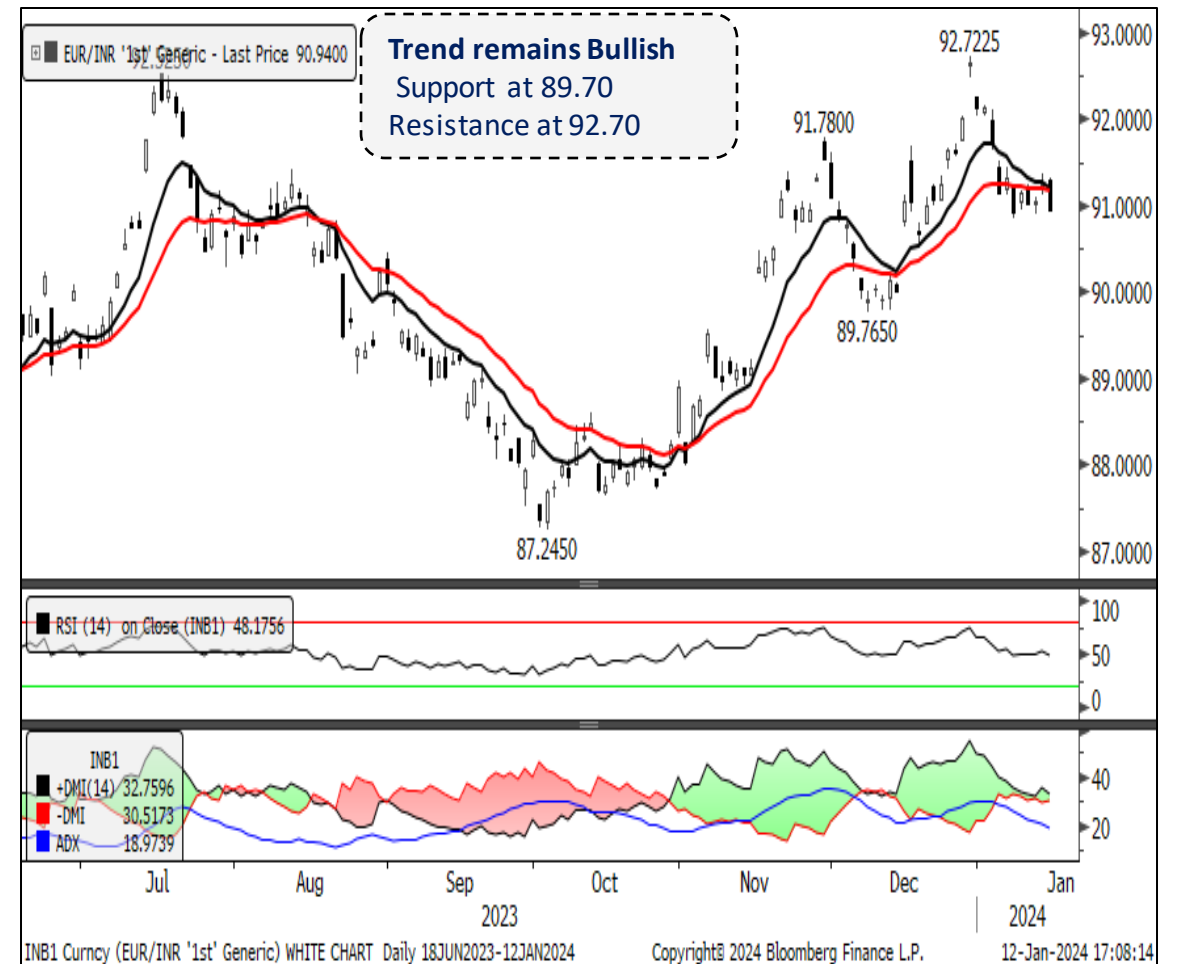
Sell USDINR Jan Fut Below 82.90 SL 83.30 Target 82.50/82.30

USDINR Jan Futures Daily Chart



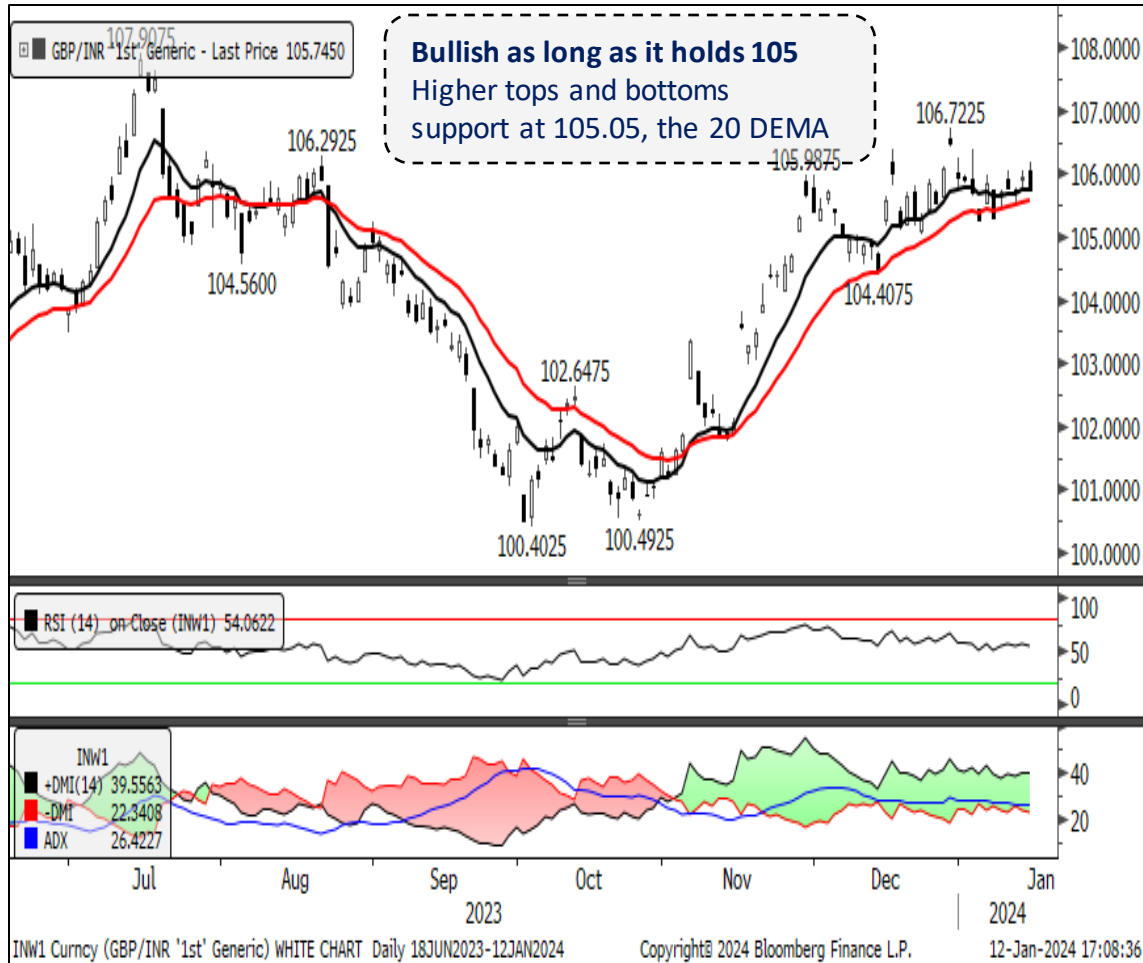
Buy EURINR Jan Fut above 91.40 SL 90.40 Target 92.75

EURINR Jan Futures Daily Chart



Buy GBPINR Jan Fut above 106.20 SL 105 Target 107.50

GBPINR Jan Futures Daily Chart

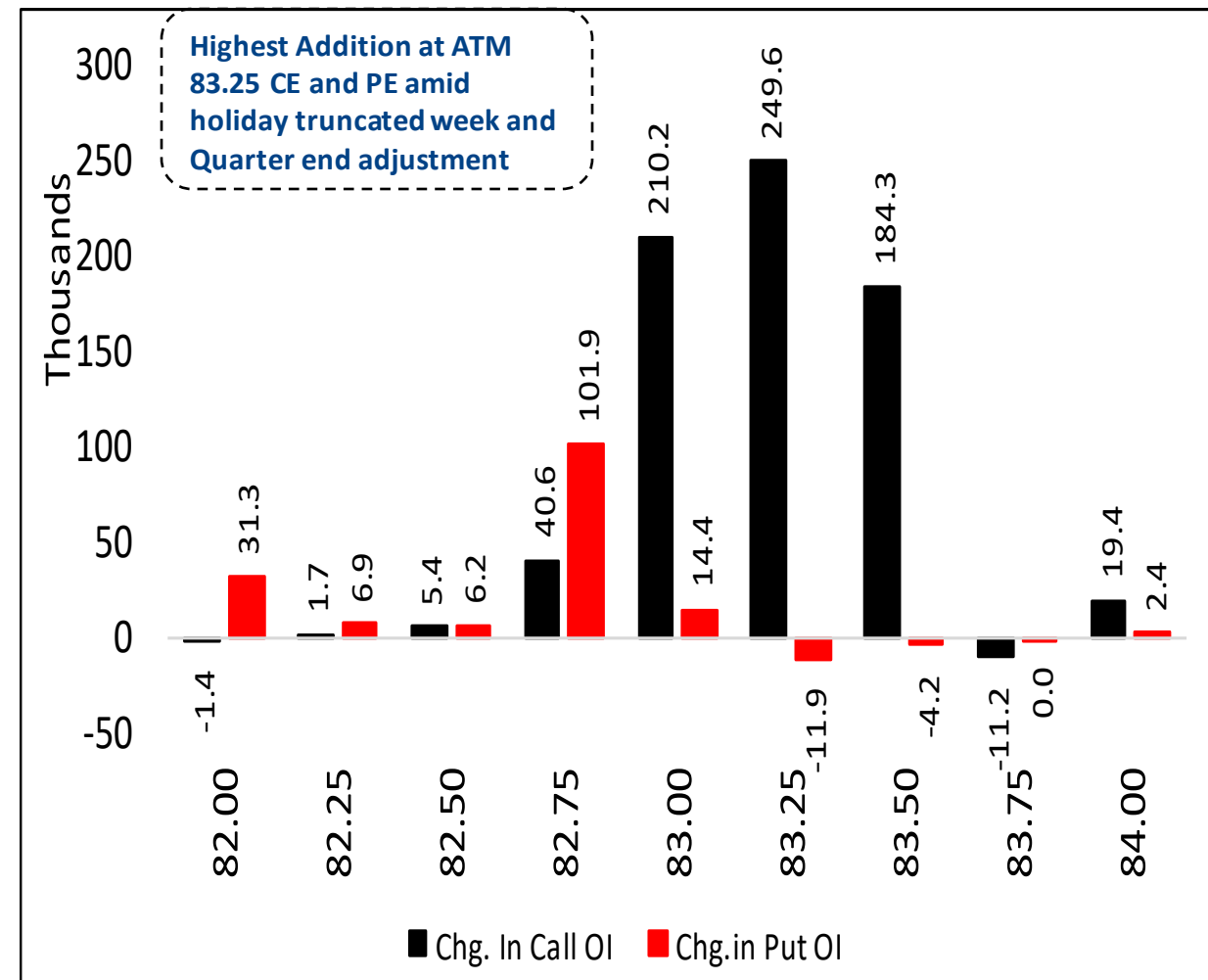
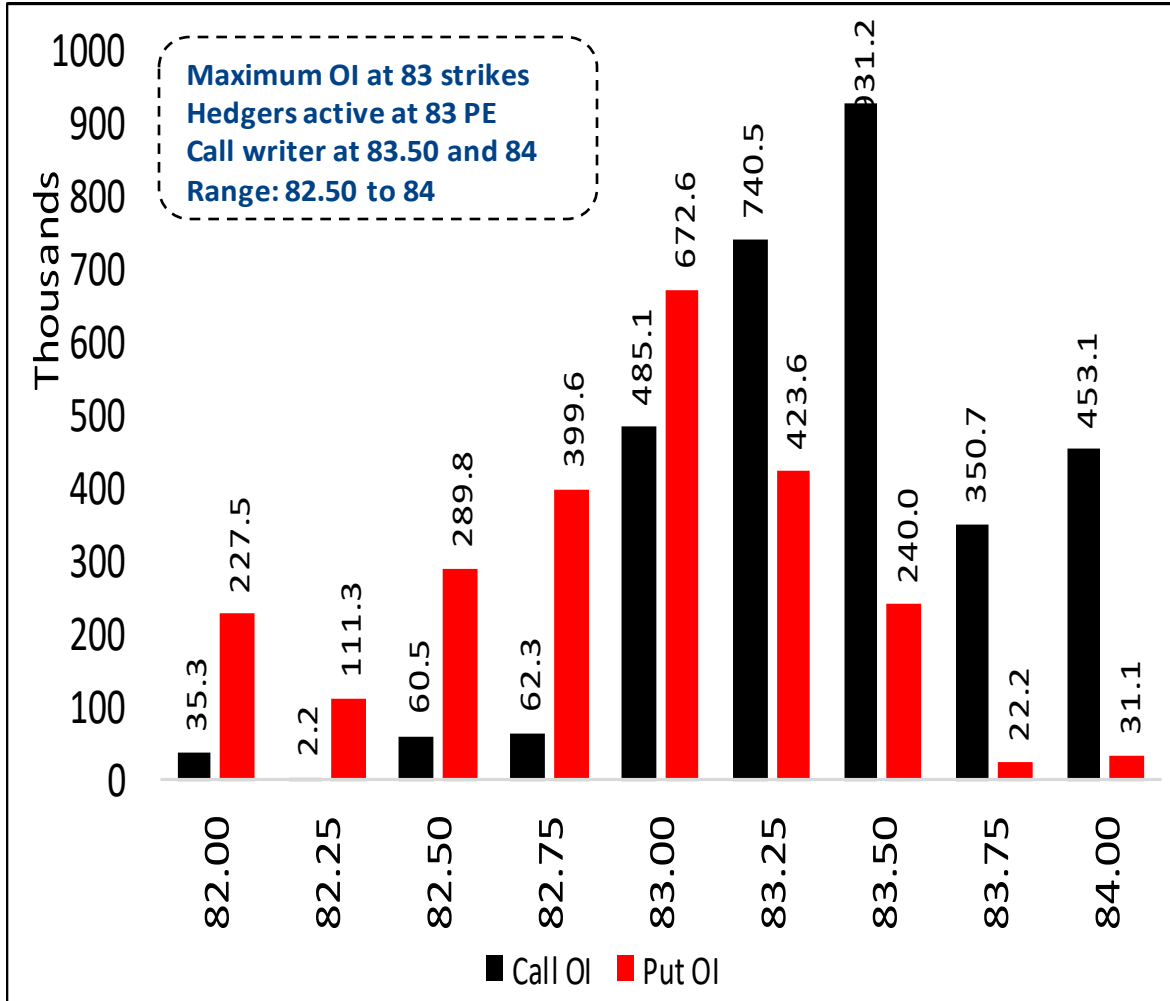


Sell JPYINR Jan Fut at 58.10 SL59.10 Target 56.70

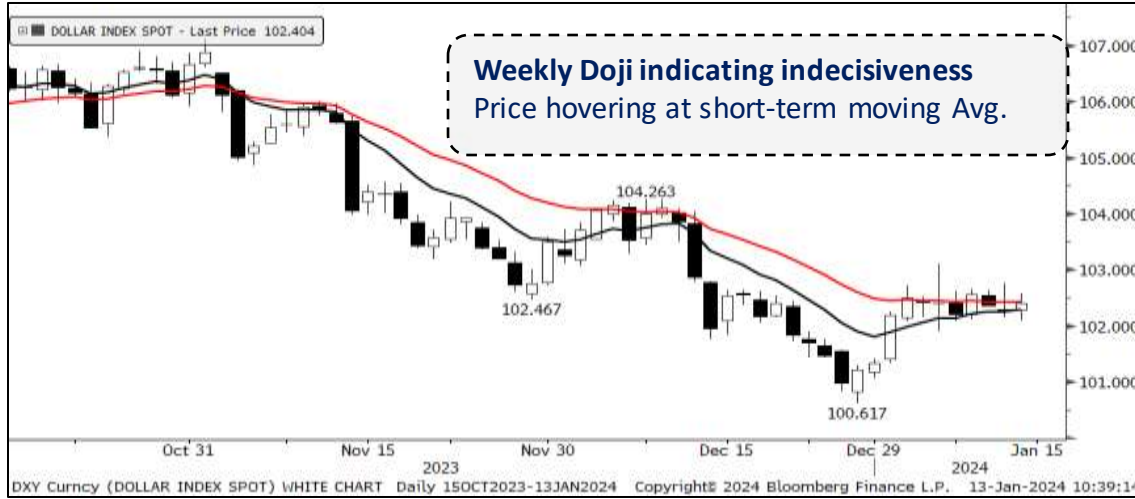
JPYINR Jan Futures Daily Chart



USDINR Jan Month Option Distribution



Dollar Index Daily Chart



EURUSD Daily Chart



GBPUSD Daily Chart



USDJPY Daily Chart



Currency Derivative Price Actions

Currency Pair	High	Low	Close	Prev. Close	Abs. Chg.	% Change	Open Interest	Chg. in OI	Agg. OI	Chg.in Agg. OI	Volume	Chg. Volume
USDINR Future Jan 24	83.2500	82.9075	82.9950	83.2200	-0.22	-0.27%	3837784	598	6380298	746879	3590578	1324976
EURINR Future Jan 24	91.3725	90.8850	90.9750	90.9250	0.05	0.05%	163296	-60625	235702	87069	183646	-111822
GBPINR Future Jan 24	106.2000	105.4500	105.7825	105.3125	0.47	0.45%	263036	25788	372244	133370	276739	15409
JPYINR Future Jan 24	58.1475	57.2200	57.3425	57.5500	-0.21	-0.36%	90283	-12848	120630	-22229	87758	-36960
EURUSD Future Jan 24	1.0988	1.0936	1.0984	1.0926	0.01	0.53%	1645	-35	8198	6138	20	-11833
GBPUSD Future Jan 24	1.2779	1.2683	1.2752	1.2657	0.01	0.75%	10158	10	16571	15797	34	-221
USDJPY Future Jan 24	145.24	143.09	144.81	144.72	0.09	0.06%	197	28	198	-1201	55	-240

Technical Levels

Currency Pair	Short-term Trend	Pivot	Supt.2	Supt.1	Resi.1	Resi.2	5 DSMA	20 DSMA	50 DSMA	Upper Band	Lower Band	RSI
USDINR Future Jan 24	Bearish	83.05	82.71	82.85	83.19	83.39	83.12	83.24	83.38	83.42	82.99	32.68
EURINR Future Jan 24	Bearish	91.08	90.59	90.78	91.27	91.57	91.08	91.45	90.81	92.39	90.38	47.32
GBPINR Future Jan 24	Bearish	105.81	105.06	105.42	106.17	106.56	105.79	105.76	104.75	106.36	105.08	53.96
JPYINR Future Jan 24	Bearish	57.57	56.64	56.99	57.92	58.50	57.60	58.41	57.50	59.46	57.06	41.77
EURUSD Future Jan 24	Bearish	1.0969	1.0917	1.0951	1.1003	1.1021	1.0964	1.0990	1.0863	1.1094	1.0877	54.22
GBPUSD Future Jan 24	Bullish	1.2738	1.2642	1.2697	1.2793	1.2834	1.2732	1.2703	1.2543	1.2793	1.2621	58.47
USDJPY Future Jan 24	Bullish	144.38	142.23	143.52	145.67	146.53	144.39	142.80	145.46	145.64	140.23	54.57

Monday	Tuesday	Wednesday	Thursday	Friday
15 Jan	16 Jan	17 Jan	18 Jan	19 Jan
India: WPI, Trade Balance EU: IIP, Trade Balance US: Holiday	UK: Jobless claims, EU: ZEW survey Exp. US: Empire mfg. China: GDP, IIP, Retail sales	UK: CPI EU: CPI US: MBA Mortgage, Retail sales, IIP, Capacity Utilisation. Mfg. Production, NAHB Housing Market Index	Japan: IIP EU: ECB CA, Construction output US: Housing Starts, Building permits	US: Uni. of Mich. Sentiment, Existing Home sales
22 Jan	23 Jan	24 Jan	25 Jan	26 Jan
China: 1 & 5 Yr. LPR	EU: Consumer confidence Japan: BoJ Policy Meeting	Japan: Trade Balance Japan, EU, UK, US: PMI (P)	EU: ECB Policy Meeting US: GDP, Personal consumption, Core PCE, durable goods sales, Initial & Conti. Claims, New home Sales	US: Personal income & spending, PCE core deflator, Pending Home Sales India: Holiday
29 Jan	30 Jan	31 Jan		
US: Dallas Fed Mfg.	UK: Mortgage Approval EU: Consumer Confidence, GDP US: JOLTs Job Opening, Nationwide House PX	Japa: Retail Sales, IIP India: Fiscal Deficit, Eight Core Infra US: MBA Mortgage, ADP Employment Change,		

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