

HDFC securities Retail Research

Currency Daily

7 May 2024



Currency Movements

Name	Current Price	Previous Close	Change	% Change
USDINR	83.496	83.430	0.066	0.08%
DXY Index	105.18	105.05	0.12	0.12%
EURUSD	1.0766	1.077	0.000	-0.03%
GBPUSD	1.2557	1.256	0.000	-0.04%
USDJPY	154.48	153.92	0.560	0.36%
USDCNH	7.2207	7.214	0.006	0.09%
US 10 Yr. Yield	4.489	4.487	0.002	0.04%
USDINR 1M FWD	83.58	83.57	0.01	0.01%
India 10 Yr. Yield	7.105	7.147	-0.042	-0.59%

Global Equity Markets

Name	Current Price	Previous Close	Change	% Change
Nifty	22443	22476	-33	-0.15%
Sensex	73896	73878	17	0.02%
Hang Seng	18594	18578	16	0.09%
Nikkie	38667	38236	431	1.13%
Shanghai	3147	3141	7	0.21%
S&P Index	5181	5128	53	1.03%
Dow Jones	38852	38676	177	0.46%
Nasdaq	18094	17891	203	1.13%
FTSE	8213	8172	41	0.51%
CAC	7997	7958	39	0.49%
DAX	18175	18002	174	0.96%

Market Roundup

- ▶ The Indian rupee, in line with the Asian currencies, is expected to open steadily but could face pressure amid foreign fund outflows and higher commodity prices. The underperformance of domestic equities amid high valuations and expectations of a surge in food inflation could push the bond and rupee lower in the near term.
- ▶ On Monday, spot USDINR gained 7 paise to 83.50, gained for the second day in a row. Technical set-up remains constructive for the bulls amid higher dollar demand. However, the central bank's intervention and expectations of dollar inflows in the coming month from MSCI bond inclusion will limit the gains. The pair has support at 83.30 and resistance at 83.60.
- ▶ **Forex:**
 - The greenback and other haven currencies retreated versus G-10 counterparts on Monday as the S&P 500 index looked set to rise for a third day amid confidence the Federal Reserve will lower rates later this year.
 - Fed Bank of Richmond President Thomas Barkin said he expects high rates to slow the economy further and cool inflation to the 2% target.
 - European Central Bank Governing Council member Gediminas Simkus said he sees borrowing costs being reduced three times in 2024 — starting with the planned move in June.
- ▶ **Equities:**
 - Asian stocks eked out gains, following Wall Street's advance. US stocks enjoyed their best three-day rally since November. The global equity markets are getting a lift as investors revise their Fed policy bets due to soft US jobs data, Asia is also benefiting from renewed hopes for China and optimism for India, the world's fastest-growing major economy.
- ▶ **Commodities:**
 - The shifting geopolitical landscape kept energy markets on edge. Expectations of rate cuts triggered a risk-on tone across markets, pushing metal prices higher. WTI oil pared gains to 0.5% after Hamas said it agreed to a cease-fire proposal by Qatar and Egypt. Earlier, Saudi Arabia lifted prices for all grades

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