

HDFC securities Retail Research

Currency Daily

26 October 2023



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.189	83.190	-0.001	0.00%
DXY Index	106.68	106.42	0.264	0.25%
EURUSD	1.0545	1.0577	-0.003	-0.30%
GBPUSD	1.2083	1.2131	-0.005	-0.40%
USDJPY	150.41	149.93	0.480	0.32%
USDCNH	7.3301	7.3245	0.006	0.08%
US 10 Yr. Yield	4.955	4.855	0.100	2.06%
USDINR 1M FWD	83.240	83.240	0.000	0.00%
India 10 Yr. Yield	7.340	7.379	-0.039	-0.53%

Global Equity Markets

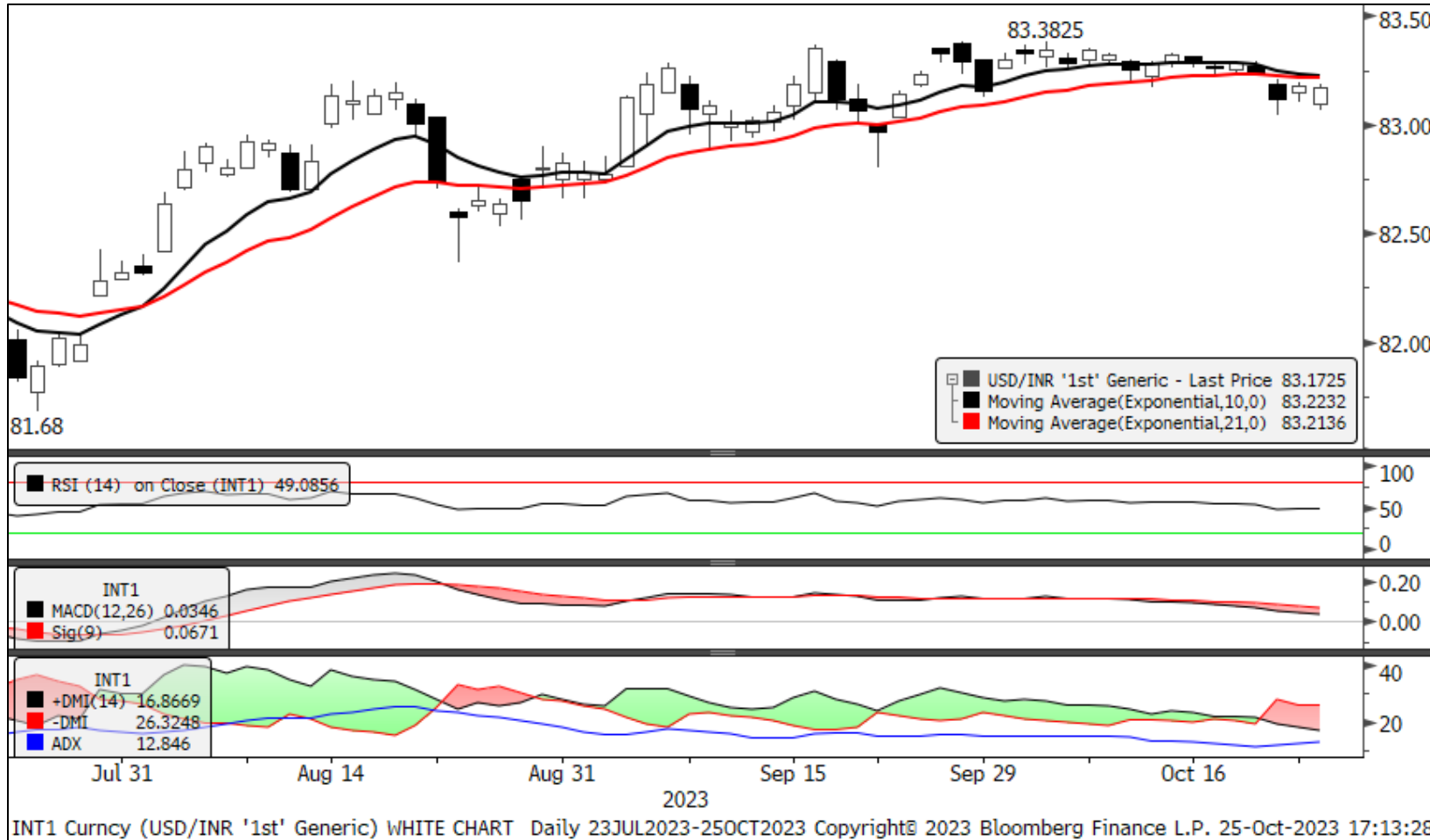
Name	Current Price	Previous Close	Change	% Change
Nifty	19122	19282	-160	-0.83%
Sensex	64049	64572	-523	-0.81%
Hang Seng	17035	17085	-50	-0.29%
Nikkie	30671	31270	-599	-1.91%
Shanghai	2965	2974	-9	-0.31%
S&P Index	4187	4248	-61	-1.43%
Dow Jones	33036	33141	-105	-0.32%
Nasdaq	14382	14746	-364	-2.47%
FTSE	7414	7390	25	0.33%
CAC	6915	6894	21	0.31%
DAX	14892	14880	12	0.08%

* Prev. Close 5pm IST

Market Roundup

- ▶ The Indian rupee is expected to start the day on a muted note, but the surge in the greenback against Yen and Asian currencies could push the local unit lower in the second half. Implied opening from forwards suggests the spot may start trading around 83.20 vs the previous close of 83.19.
- ▶ Spot USDINR was little changed at 83.1888 on Wednesday.
- ▶ Technically, spot USDINR has been stuck in a narrow range of 83 to 83.25 since the start of the month. The bias for the pair remains neutral to bearish in the short term.
- ▶ Indian bonds and the rupee may come under pressure, in line with regional weighed by a rebound in Treasury yields. Higher oil prices may also impact sentiment. India's 10-year yields fell 4bps to 7.34%.
- ▶ Thursday is shaping up to be another risk-averse day as the broad dollar strength weighing on sentiment across Asian markets. The MSCI AC Asia Pacific Index is lower as the Dollar Index is up for a third day amid a renewed selloff in US Treasuries.
- ▶ The US dollar gained, pushing a gauge of its strength toward the highest since Oct. 3, as Treasury yields rose. Hawkish Fed expectations, elevated US bond yields, and risk-averse mood benefit the greenback.
- ▶ The traders will eye on the Euro ahead of the ECB policy decision. The ECB is expected to keep interest rates unchanged in today's policy meeting, as inflation slows down and economic activity remains subdued. Post-decision, the members' discussion could revolve around modifications to reserve requirements and the balance sheet. ECB President Christine Lagarde will likely maintain a hawkish tone, considering that inflation levels remain high and to appease the hawks within the Bank.

USDINR Oct Futures Daily Chart



Technical Observations:

- USDINR is placed below the short-term moving averages.
 - It has broken the upward-sloping trend line support of 83.30.
 - Momentum oscillator, RSI has given negative divergence and placed below 50 indicating a weaker momentum.
 - MACD is placed near zero with a negative cross-over to average indicating a weak trend.
 - The pair has support at 82.50 and resistance at 83.40.
- **Short Term Trend:** *Neutral/Bearish*
- **Expected Trading Range:** *82.90 to 83.25*
- **Intraday Recommendation:** *Sell USDINR Oct. Fut. around 83.18 SL 83.30 Target 83.01.*

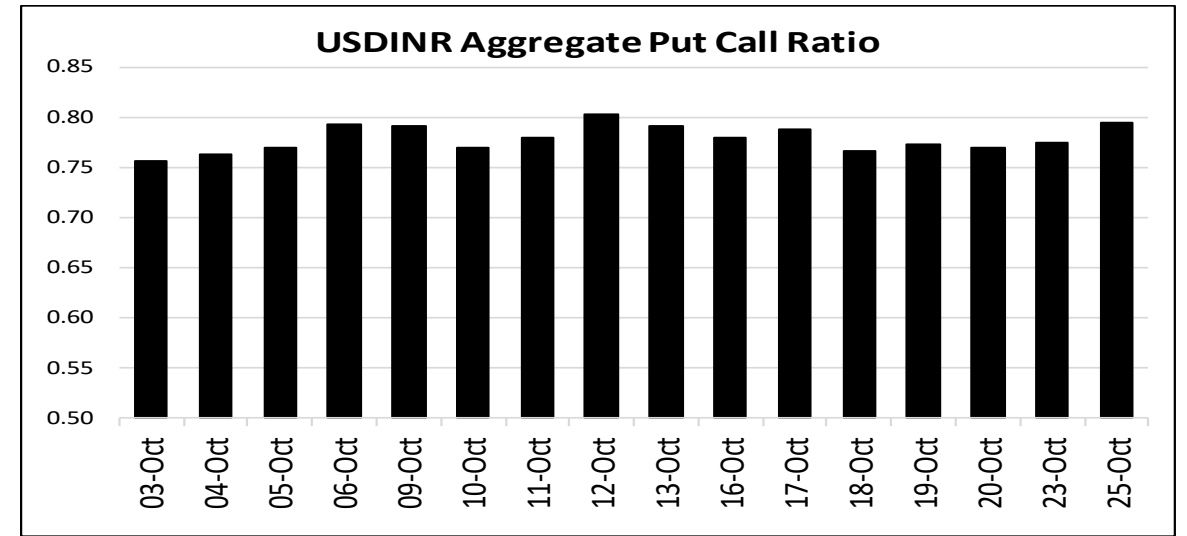
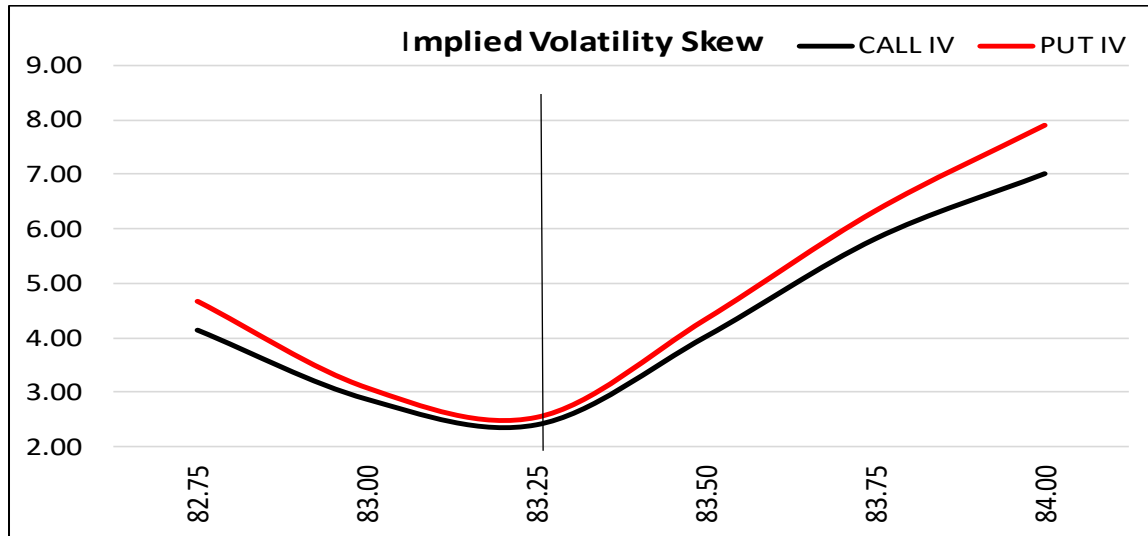
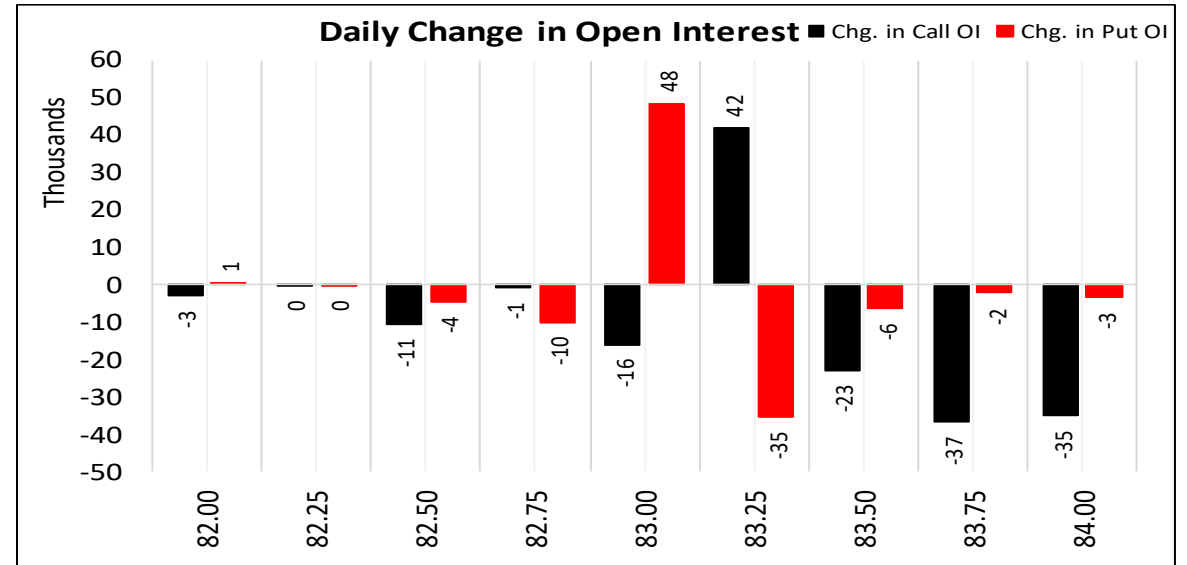
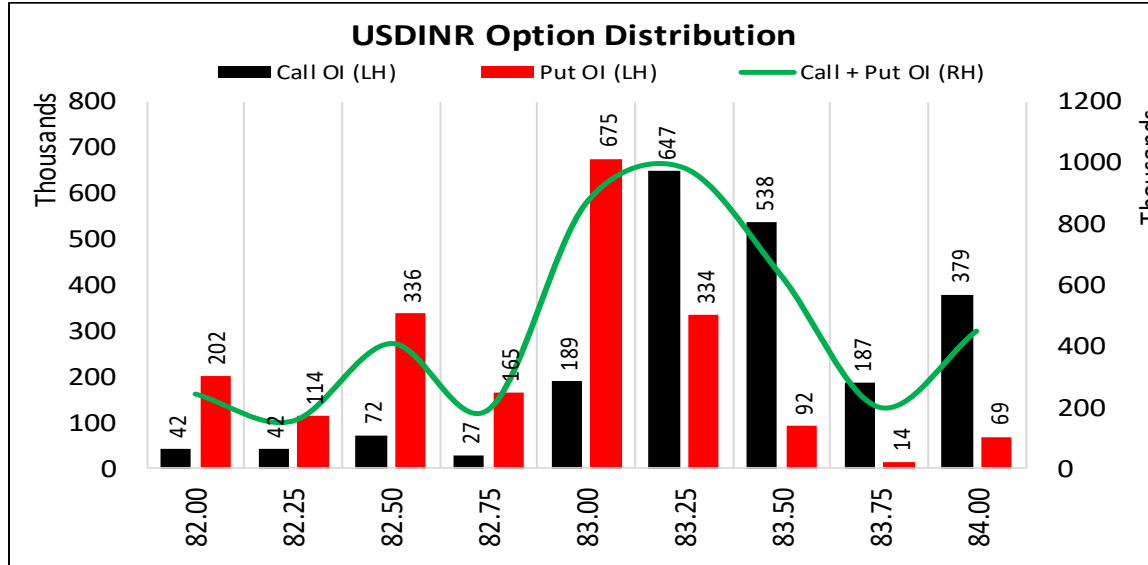
Currency Derivative Price Actions

Currency Pair	Open	High	Low	Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Oct Fut	83.0925	83.1900	83.0675	83.1800	0.00%	4,529,940	-10.5%	9,223,086	1.0%	2,042,621	65.1%
EURINR Oct Fut	88.1025	88.1800	87.9100	87.9800	-0.29%	91,611	-22.1%	173,372	-9.1%	126,799	-7.0%
GBPINR Oct Fut	101.1250	101.2275	100.8050	100.8775	-0.31%	134,844	-2.9%	254,016	5.8%	116,214	-31.3%
JPYINR Oct Fut	55.5475	55.5950	55.5225	55.5775	0.01%	97,465	-12.2%	153,715	-3.2%	33,094	38.5%
EURUSD Oct Fut	1.0605	1.0610	1.0569	1.0573	-0.29%	1,468	-5.8%	1,991	-4.7%	530	2550.0%
GBPUSD Oct Fut	1.2170	1.2170	1.2128	1.2123	-0.35%	2,183	1.3%	2,193	1.5%	113	-74.2%
USDJPY Oct Fut	149.58	149.71	149.53	149.91	0.17%	1,398	-2.4%	1,416	-2.2%	45	7.1%

Technical Levels

Currency Pair	Close	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA	RSI
USDINR Oct Fut	83.18	83.15	82.90	83.02	83.10	83.22	83.27	83.39	83.20	83.28	47.52
EURINR Oct Fut	87.98	88.02	87.48	87.75	87.87	88.14	88.29	88.56	88.03	88.00	43.55
GBPINR Oct Fut	100.88	100.97	100.13	100.55	100.71	101.14	101.39	101.82	101.08	101.45	38.14
JPYINR Oct Fut	55.58	55.57	55.42	55.49	55.54	55.61	55.64	55.71	55.63	55.97	25.53
EURUSD Oct Fut	1.0573	1.0584	1.0502	1.0543	1.0558	1.0599	1.0625	1.0666	1.0579	1.0570	44.20
GBPUSD Oct Fut	1.2123	1.2140	1.2056	1.2098	1.2111	1.2153	1.2182	1.2224	1.2141	1.2179	39.88
USDJPY Oct Fut	149.91	149.72	149.36	149.54	149.72	149.90	149.90	150.08	149.62	148.79	70.92

USDINR Oct Month Option Charts



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