

HDFC securities Retail Research

Currency Daily

15 September 2023



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.040	82.985	0.055	0.07%
DXY Index	105.34	104.74	0.599	0.57%
EURUSD	1.0644	1.0733	-0.009	-0.83%
GBPUSD	1.2417	1.2474	-0.006	-0.46%
USDJPY	147.44	147.32	0.120	0.08%
USDCNH	7.2734	7.2836	-0.010	-0.14%
US 10 Yr. Yield	4.278	4.260	0.018	0.42%
USDINR 1M FWD	83.140	83.100	0.040	0.05%
India 10 Yr. Yield	7.130	7.196	-0.066	-0.92%

Global Equity Markets

Name	Current Price	Previous Close	Change	% Change
Nifty	20103	20070	33	0.16%
Sensex	67519	67467	52	0.08%
Hang Seng	18213	18048	165	0.91%
Nikkie	33603	33168	435	1.31%
Shanghai	3135	3127	9	0.28%
S&P Index	4505	4467	38	0.84%
Dow Jones	34907	34576	332	0.96%
Nasdaq	15474	15349	125	0.82%
FTSE	7673	7526	147	1.95%
CAC	7309	7223	86	1.19%
DAX	15805	15654	151	0.97%

* Prev. Close 5pm IST

Market Roundup

- ▶ The Indian rupee is expected to open slightly lower following the overnight strength in the greenback after the ECB hiked the rate and crude oil surpassed the resistance of \$93. The better-than-expected Chinese economic data and risk-on moods could help the rupee to curtail the losses. However, the direction of the rupee remains bearish as surging commodity prices and weak monsoon progress will change the inflation forecast and fiscal maths, which in turn make the central bank hold the rate and stay cautious in the upcoming monetary policy.
- ▶ On Thursday, Spot USDINR gained six paise to 83.04, heading for the third weekly rise amid dollar outflows and higher crude oil prices. Technically, the pair has resistance at 83.15 and support at 82.85.
- ▶ The dollar edged higher versus most major peers and the dollar index is set for ninth weeks of gains. The euro remains near a five-month low after the European Central Bank likely hiked for a final time and downgraded growth forecasts on Thursday.
- ▶ Stocks in Asia advanced following better-than-expected Chinese economic data and after the central bank took further measures to support the struggling economy.
- ▶ In commodities, oil's rally above \$90 a barrel is the latest milestone in a surge driven by output cuts from Saudi Arabia and Russia amid record global consumption and follows reports this week warning of tightness in the coming months.
- ▶ China's economic activity gathered pace last month with industrial production gaining 4.5% and retail sales rising 4.6%. Both figures beat expectations. The PBOC left its key policy rate unchanged while injecting cash into the market for the 10th consecutive month. Still, the decline in home prices accelerated in August, to 0.29% month on month. The PBOC has accelerated its easing in 3Q23, with August's 15-bp cut in the one-year MLF rate and Thursday's 25-bp RRR cut.
- ▶ Christine Lagarde insisted that she "can't say" whether rates have peaked after the ECB hiked for the 10th straight time to a record 4%. Traders see about a 20% chance of another increase after the central bank cut growth forecasts for every year through 2025.

USDINR Sept Futures Daily Chart



Technical Observations:

- ▶ Spot USDINR is placed at 10 DEMA. The formation of a small body candlestick pattern suggests consolidation.
- ▶ The formation of higher tops and bottoms supporting the dollar bulls.
- ▶ The Relative strength index of 14 days remained positive and is currently placed at 57.
- ▶ Trend indicator MACD is flattening with the MACD average and a negative histogram exhibiting a sideways trend.
- ▶ Minor short covering has been seen as the price gained by 0.04% while open interest declined by 3.1%.
- ▶ The trend remains bullish for the pair as long as it holds the support of 82.80.
- ▶ **USDINR Sep fut may consolidate between 83.25 to 82.95 with positive bias in today's trade.**

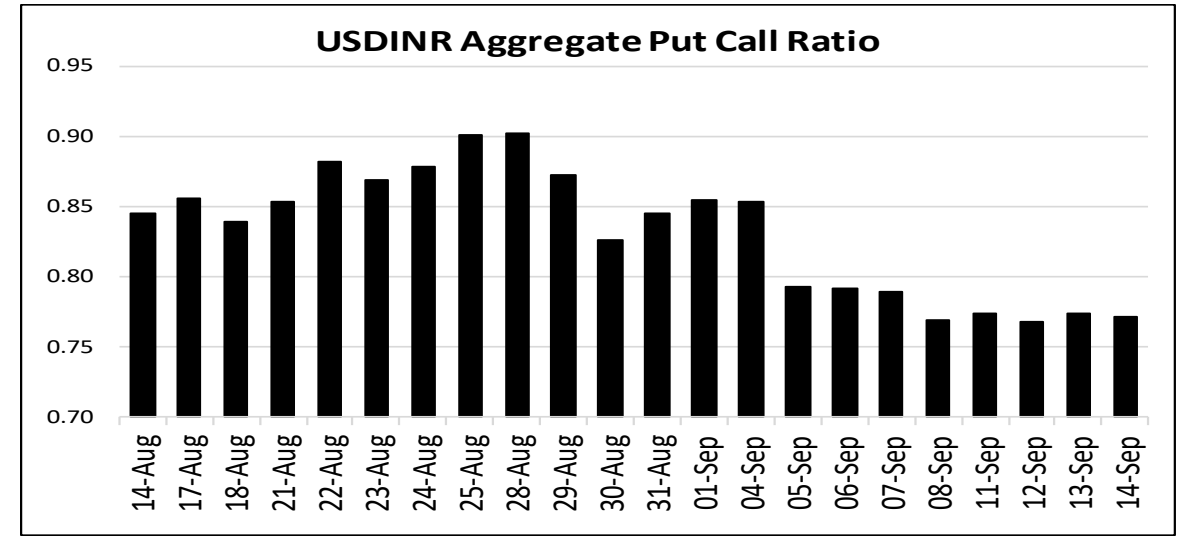
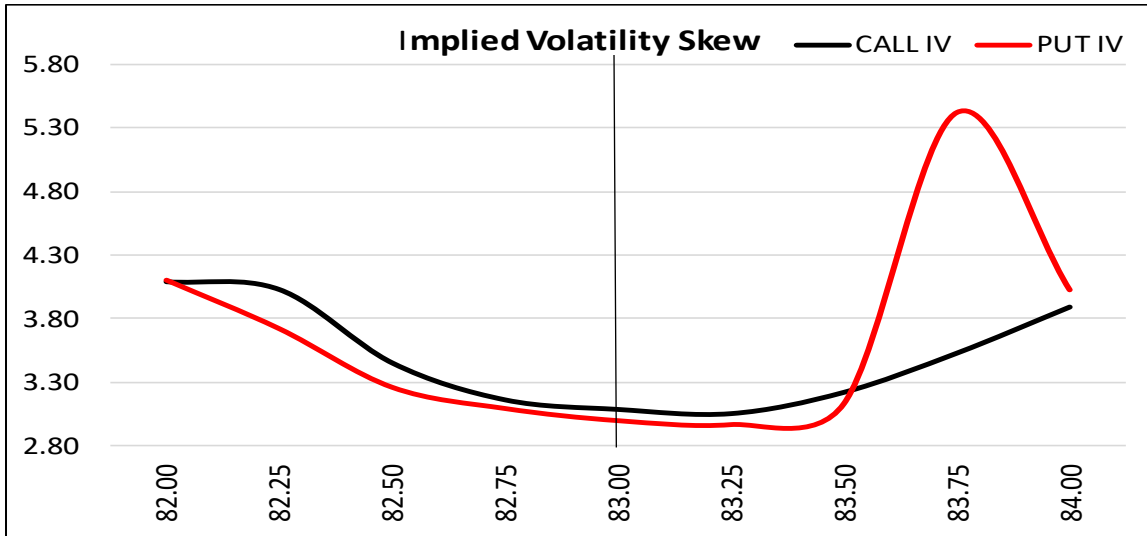
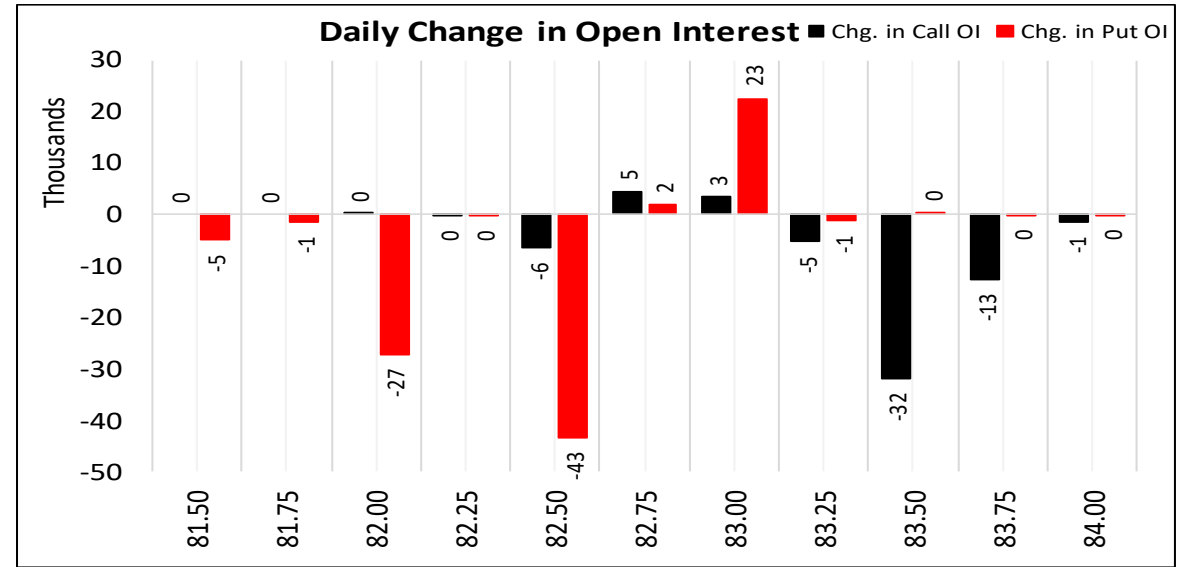
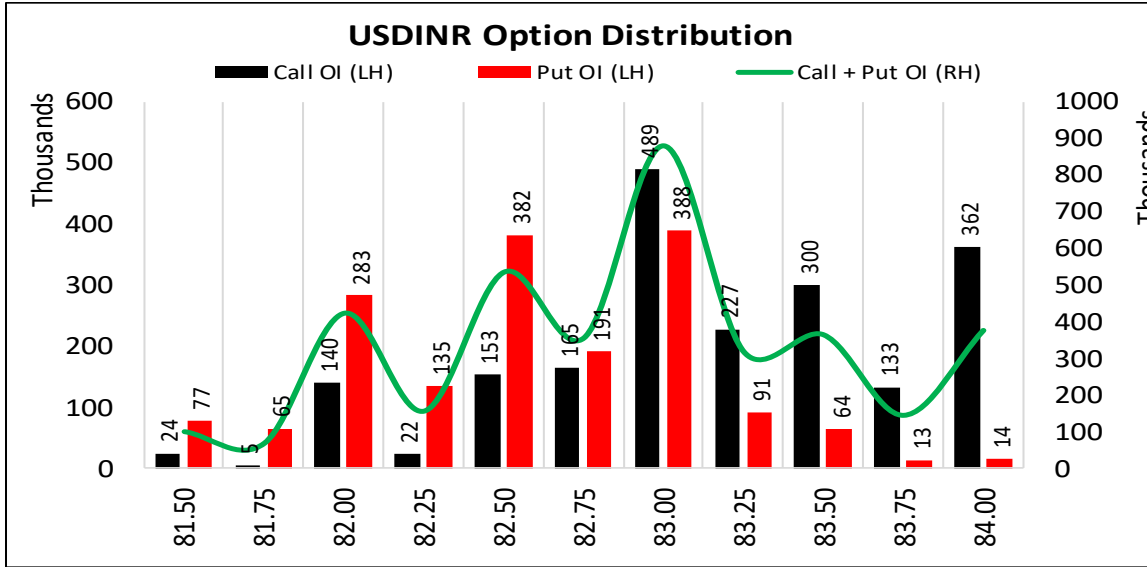
Currency Derivative Price Actions

Currency Pair	Open	High	Low	Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Sep Fut	83.0150	83.0875	82.9700	83.0550	0.04%	3,699,313	-3.1%	5,800,533	-1.6%	1,285,008	4.3%
EURINR Sep Fut	89.2675	89.2975	89.1375	89.2125	0.03%	118,706	0.8%	180,286	0.7%	74,741	-26.2%
GBPINR Sep Fut	103.6875	103.7950	103.5300	103.6000	0.03%	194,600	0.1%	273,161	0.2%	127,451	-42.3%
JPYINR Sep Fut	56.5625	56.6000	56.4950	56.5225	0.04%	143,425	0.4%	166,434	0.6%	21,716	-48.6%
EURUSD Sep Fut	1.0750	1.0763	1.0739	1.0740	-0.08%	1,197	1.8%	1,203	2.0%	531	-12.4%
GBPUSD Sep Fut	1.2472	1.2472	1.2472	1.2474	-0.01%	589	-0.2%	589	-0.2%	1	-97.6%
USDJPY Sep Fut	146.62	146.92	146.58	146.87	-0.02%	1,499	9.2%	1,605	8.4%	146	-9.9%

Technical Levels

Currency Pair	Close	Pivot	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA	RSI
USDINR Sep Fut	83.06	83.04	82.80	82.92	82.99	83.11	83.16	83.27	83.05	82.97	55.64
EURINR Sep Fut	89.21	89.22	88.90	89.06	89.13	89.29	89.38	89.54	89.12	89.69	39.19
GBPINR Sep Fut	103.60	103.64	103.11	103.38	103.49	103.75	103.91	104.17	103.66	104.51	37.13
JPYINR Sep Fut	56.52	56.54	56.33	56.43	56.48	56.58	56.64	56.75	56.61	56.94	33.31
EURUSD Sep Fut	1.0740	1.0747	1.0699	1.0723	1.0732	1.0756	1.0771	1.0795	1.0734	1.0811	37.13
GBPUSD Sep Fut	1.2474	1.2473	1.2473	1.2473	1.2473	1.2473	1.2473	1.2473	1.2483	1.2598	35.34
USDJPY Sep Fut	146.87	146.79	146.11	146.45	146.66	147.00	147.13	147.47	146.68	145.77	67.26

USDINR Sept Month Option Charts



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