

HDFC securities Retail Research

Currency Daily

18 December 2023



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.063	83.001	0.061	0.07%
DXY Index	102.52	102.54	-0.021	-0.02%
EURUSD	1.0919	1.0912	0.001	0.06%
GBPUSD	1.2656	1.2653	0.000	0.02%
USDJPY	142.61	142.68	-0.070	-0.05%
USDCNH	7.1445	7.1384	0.006	0.09%
US 10 Yr. Yield	3.941	3.902	0.039	1.00%
USDINR 1M FWD	83.220	83.160	0.060	0.07%
India 10 Yr. Yield	7.158	7.163	-0.005	-0.07%

Global Equity Markets

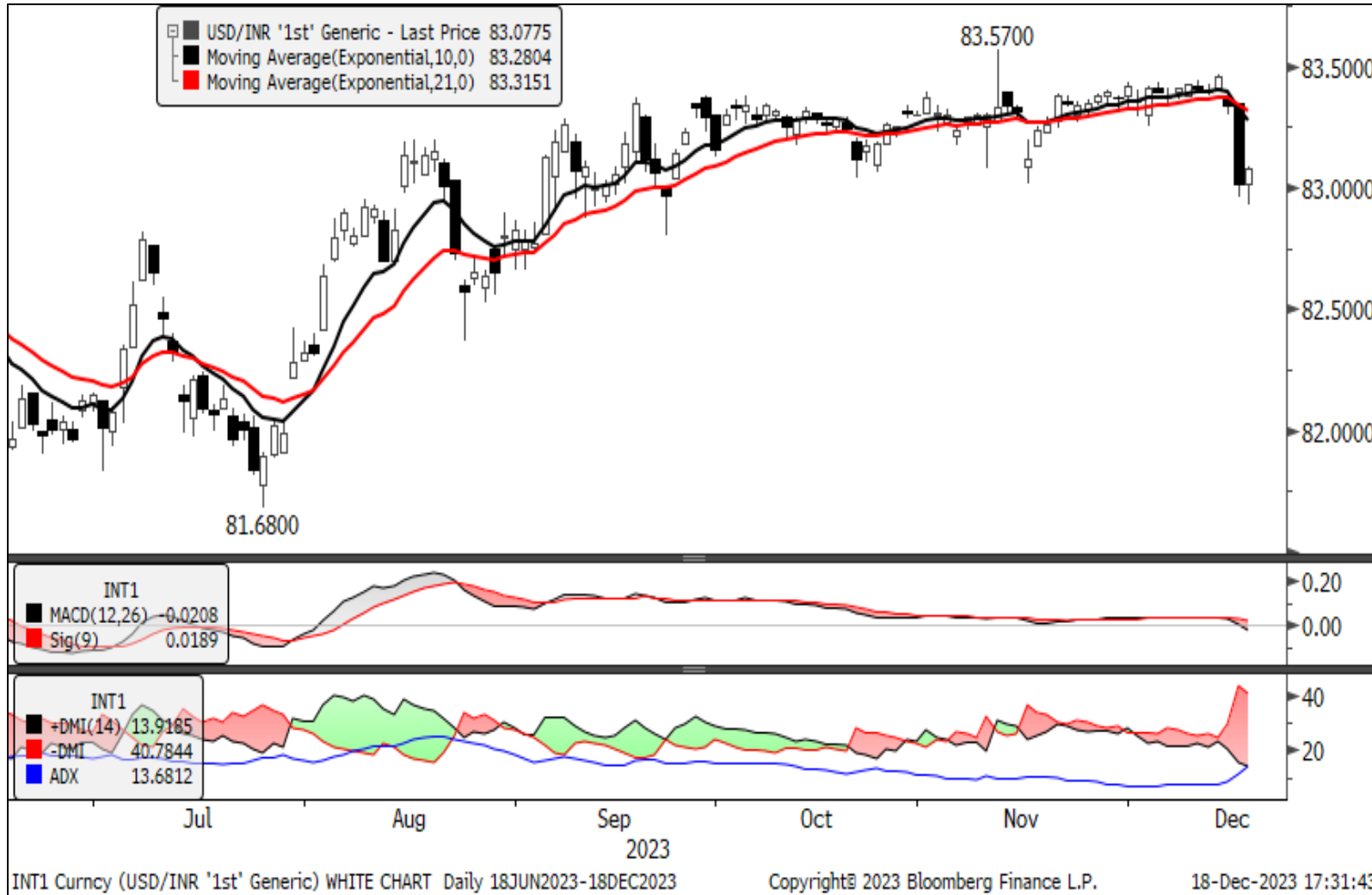
Name	Current Price	Previous Close	Change	% Change
Nifty	21419	21457	-38	-0.18%
Sensex	71315	71484	-169	-0.24%
Hang Seng	16453	16629	-176	-1.06%
Nikkie	32803	32759	44	0.13%
Shanghai	2925	2931	-5	-0.18%
S&P Index	4741	4719	21	0.45%
Dow Jones	37306	37305	1	0.00%
Nasdaq	16730	16623	106	0.64%
FTSE	7614	7576	38	0.50%
CAC	7569	7597	-28	-0.37%
DAX	16651	16751	-101	-0.60%

* Prev. Close 5pm IST

Market Roundup

- ▶ The Indian rupee is expected to decline at open, tracking the fall in other Asian currencies, and on stalling upside momentum. Asian currencies were mostly weaker on Tuesday, following pushback from more Federal Reserve officials on rate cuts. Non-deliverable forwards indicate the rupee will open at around 83.12 to the US dollar compared with 83.06 in the previous session.
- ▶ On Monday, spot USDINR gained six paise to 83.06 amid short covering and bargaining buying from the traders. Technically, the pair has resistance around 83.30 and support at 82.90. The short-term bias remains bearish until the pair closes above 83.50.
- ▶ Domestic rating agency, ICRA revised its FY24 GDP growth forecast to 6.5% from 6.2% earlier. However, the revised forecast is still much lower than the Reserve Bank of India's (RBI's) 7% real Gross Domestic Product (GDP) growth estimate for the ongoing fiscal.
- ▶ Foreign institutional investors (FIIs) continued their buying momentum as they bought equities worth Rs 9,239.42 crore on Friday, according to exchange data.
- ▶ The dollar traded mixed against its Group-of-10 peers, with commodity currencies gained as shipping disruptions in the Red Sea sent oil to a two-week high. The yen is lower ahead of a Bank of Japan policy decision as Treasury yields firm. Japanese policymakers are seen leaving the negative-rate policy in place when it concludes its two-day meeting. While speculation has grown the BOJ will soon end the world's last negative-rate regime, economists see April as the most likely time for a change.
- ▶ Asian equities traded mix ahead of BoJ policy decision. However, the regions have a tailwind for a positive start on Tuesday from higher US indexes buoyed by M&A activity.
- ▶ Meanwhile, US stock futures were little changed after Wall Street extended its relentless rally Monday, buoyed by a burst of deals as traders largely ignored tempered messaging from Federal Reserve officials.

USDINR Dec Futures Daily Chart



Technical Observations:

- ▶ USDINR Dec future closed below 21 days moving average almost after a month.
- ▶ The 10 DEMA is placed below 21 DEMA.
- ▶ Momentum Oscillator, RSI of 14 days period turned down and weakened below 50 on the daily chart.
- ▶ MACD has been placed below the zero line and is weakening.
- ▶ Short covering has been seen as price gained while open interest declined.
- ▶ **Short Term Trend: Bearish**
- ▶ **Expected Trading Range: 83.00 to 83.30**
- ▶ **Short Term Recommendation: Sell USDINR Dec. Fut. at 83.25/83.30 SL 83.36 Target 83.00**

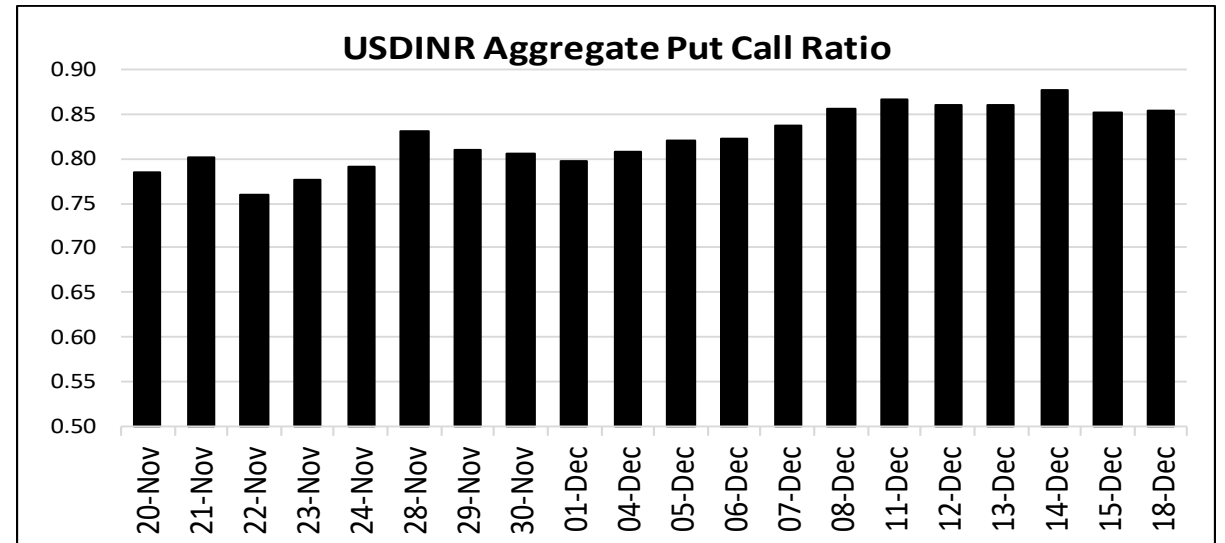
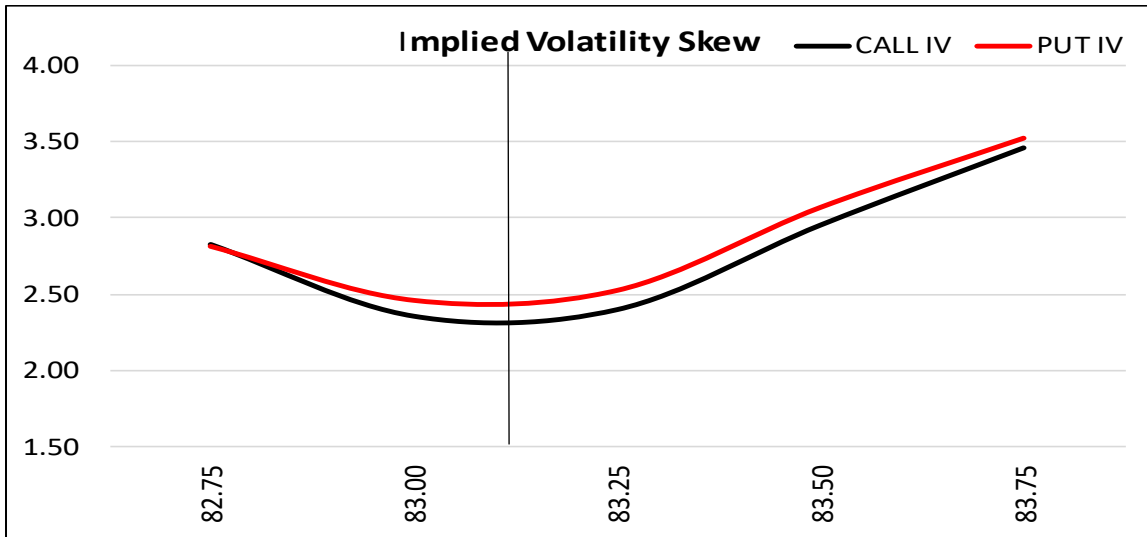
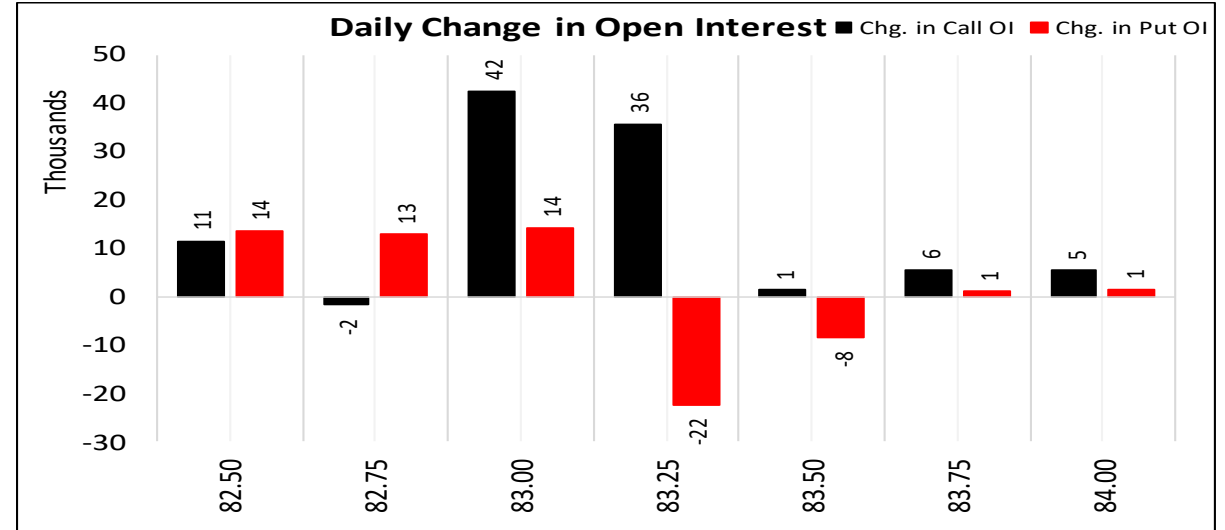
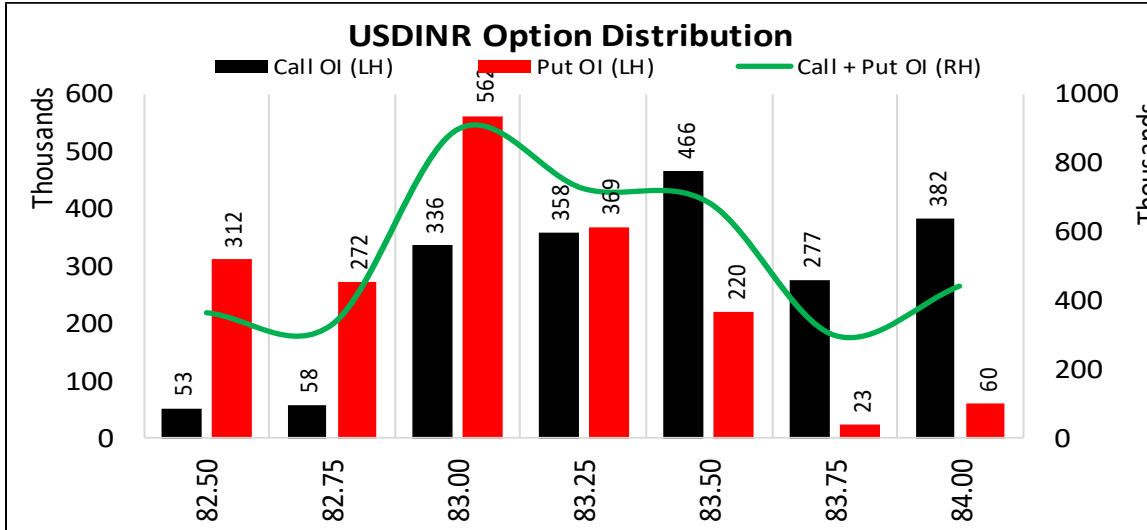
Currency Derivative Price Actions

Currency Pair	Open	High	Low	Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Dec Fut	83.0175	83.0900	82.9325	83.0775	0.08%	3,932,389	-5.2%	5,747,782	-3.4%	2,366,458	-39.4%
EURINR Dec Fut	90.6975	90.8025	90.5125	90.6625	-0.41%	145,121	0.0%	259,018	-4.5%	171,778	-22.0%
GBPINR Dec Fut	105.4125	105.4900	105.1100	105.1675	-0.79%	180,257	-20.0%	297,049	-15.9%	217,461	-14.7%
JPYINR Dec Fut	58.3625	58.5225	58.2650	58.3075	-0.61%	65,314	-15.2%	93,849	-12.3%	91,429	-14.4%
EURUSD Dec Fut	1.0910	1.0935	1.0910	1.0916	-0.51%	1,090	-11.4%	2,535	-9.9%	162	100.0%
GBPUSD Dec Fut	1.2694	1.2697	1.2672	1.2647	-0.92%	494	-78.1%	1,097	-90.2%	1,762	763.7%
USDJPY Dec Fut	141.86	142.78	141.86	142.66	0.68%	3,147	-1.0%	3,382	-1.0%	109	211.4%

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	83.08	83.03	82.72	82.88	82.98	83.13	83.19	83.35	83.26	83.37	33.54
EURINR Dec Fut	90.66	90.66	90.08	90.37	90.52	90.81	90.95	91.24	90.58	90.73	54.94
GBPINR Dec Fut	105.17	105.26	104.50	104.88	105.02	105.40	105.64	106.02	105.21	105.05	56.76
JPYINR Dec Fut	58.31	58.37	57.85	58.11	58.21	58.47	58.62	58.88	58.20	57.16	61.59
EURUSD Dec Fut	1.0916	1.0920	1.0870	1.0895	1.0906	1.0931	1.0945	1.0970	1.0881	1.0831	58.95
GBPUSD Dec Fut	1.2647	1.2672	1.2622	1.2647	1.2647	1.2672	1.2697	1.2722	1.2634	1.2572	58.23
USDJPY Dec Fut	142.66	142.43	140.59	141.51	142.09	143.01	143.35	144.27	143.20	146.15	35.68

USDINR Dec Month Option Charts



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