

HDFC securities Retail Research

Currency Daily

26 September 2023



Currency Movements

Name	Current Price	Previous Close*	Change	% Change
USDINR	83.149	82.939	0.210	0.25%
DXY Index	106.02	105.62	0.395	0.37%
EURUSD	1.0584	1.0638	-0.005	-0.51%
GBPUSD	1.2198	1.2236	-0.004	-0.31%
USDJPY	148.92	148.63	0.290	0.20%
USDCNH	7.3118	7.309	0.003	0.04%
US 10 Yr. Yield	4.560	4.491	0.069	1.55%
USDINR 1M FWD	83.260	83.220	0.040	0.05%
India 10 Yr. Yield	7.154	7.187	-0.033	-0.46%

Global Equity Markets

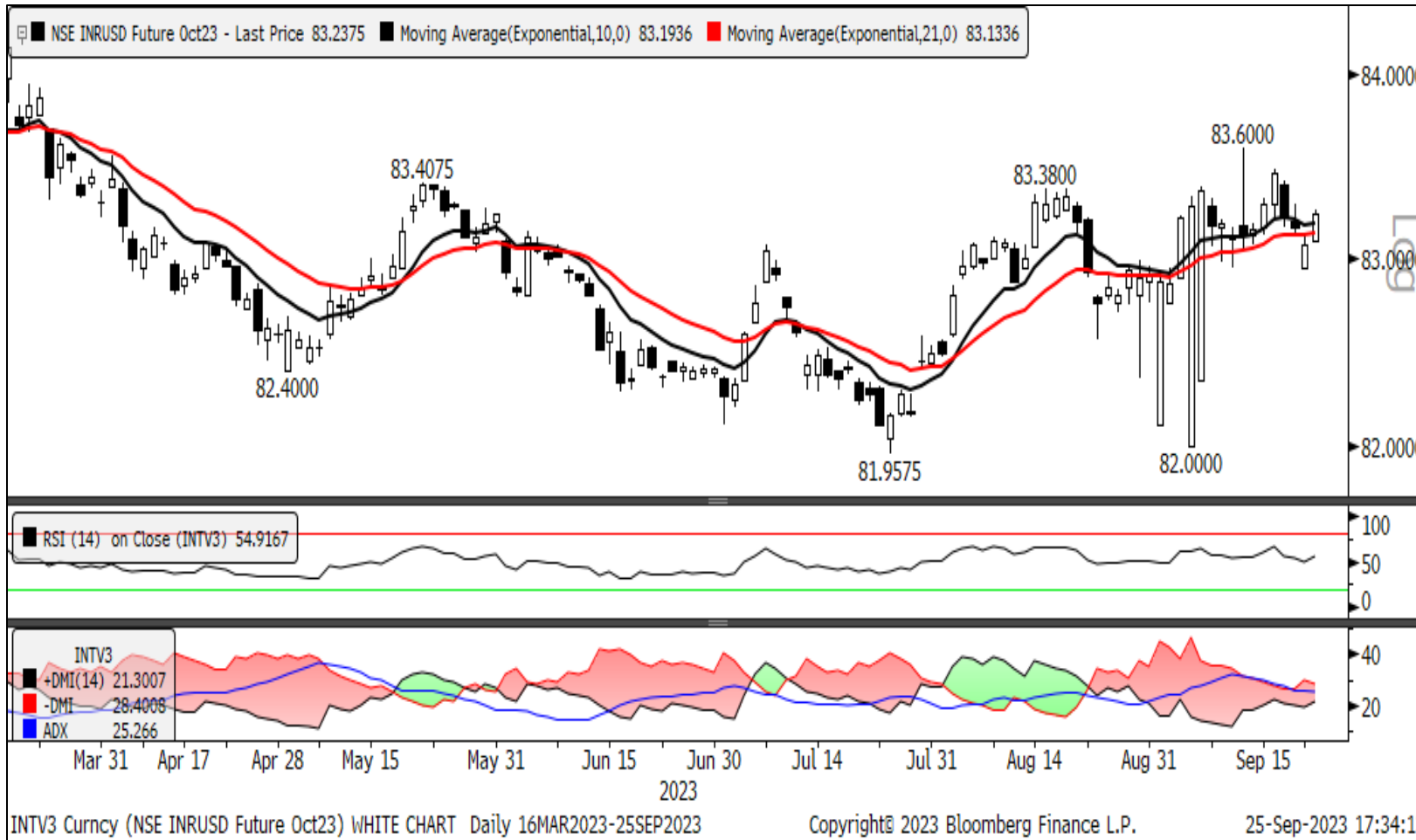
Name	Current Price	Previous Close	Change	% Change
Nifty	19675	19674	0	0.00%
Sensex	66024	66009	15	0.02%
Hang Seng	17668	17729	-61	-0.35%
Nikkie	32397	32679	-282	-0.86%
Shanghai	3118	3116	2	0.07%
S&P Index	4337	4320	17	0.40%
Dow Jones	34007	33964	43	0.13%
Nasdaq	14769	14701	68	0.46%
FTSE	7624	7684	-60	-0.78%
CAC	7124	7185	-61	-0.85%
DAX	15405	15557	-152	-0.98%

* Prev. Close 5pm IST

Market Roundup

- ▶ The Indian rupee is expected to open slightly lower following a stronger dollar index and foreign fund outflows. The month-end dollar demand from importers and speculative position unwinding will weigh on the local unit in today's trade. The forward market suggests spot USDINR opening at 83.18 from the previous close of 83.15.
- ▶ On Monday, spot USDINR gained 21 paise or a quarter percentage to 83.15 amid risk-averse moods and foreign fund outflows from domestic equities and debt. Our view remains bullish for the pair as long as it holds the support of 82.80 while on the higher side, we believe 83.25 to 83.30 remains a major hurdle to cross.
- ▶ Asia stocks fell, following US futures, while European contacts were mixed. The dollar hovered near 10-month highs against a basket of major currencies, supported by U.S. bond yields scaling 16-year peaks, while the yen tiptoed deeper into the intervention danger zone. The U.S. dollar index touched its highest since November at 106.1. The upbeat economic data, hawkish Federal Reserve rhetoric, and a budget deficit to be financed by borrowing have pushed the 10-year Treasury yield up more than 45 basis points in September to top 4.5% for the first time since 2007.
- ▶ US stocks managed to snap a four-session losing streak with the S&P 500 settling higher by 0.4%. Elsewhere, Oil prices slipped in early trade on Tuesday amid concerns that fuel demand will be crimped by major central banks holding interest rates higher for longer, even with supply expected to be tight.
- ▶ Investors will be mulling this week's comments from Federal Reserve officials as concern grows over the potential for a US government shutdown.
- ▶ A US government shutdown would reflect negatively on America's credit rating, according to Moody's Investors Service, the only remaining major credit grader to assign the US a top rating.
- ▶ U.S. consumer confidence and home sales data is due later on Tuesday, with slight weakening seen on both fronts though doubts that that could much dent the dollar.

USDINR Oct Futures Daily Chart



Technical Observations:

- ▶ USDINR Oct fut. rebounded and came back above the short-term moving averages.
- ▶ The pair held the support of recent swing lows at 82.80.
- ▶ Momentum Oscillator, RSI of 14 days period is placed below 50 and turned upward on the daily chart.
- ▶ ADX line is placed above 25 and strengthening indicating a positive trend.
- ▶ Long buildup has been seen as price along with open interest rise.
- ▶ **Short Term Trend: Bullish**
- ▶ **Expected Trading Range: 83.10 to 83.45**
- ▶ **Intraday Recommendation: Buy USDINR Oct. Fut. between 83.15-83.10 SL 83.00 Target 83.42**

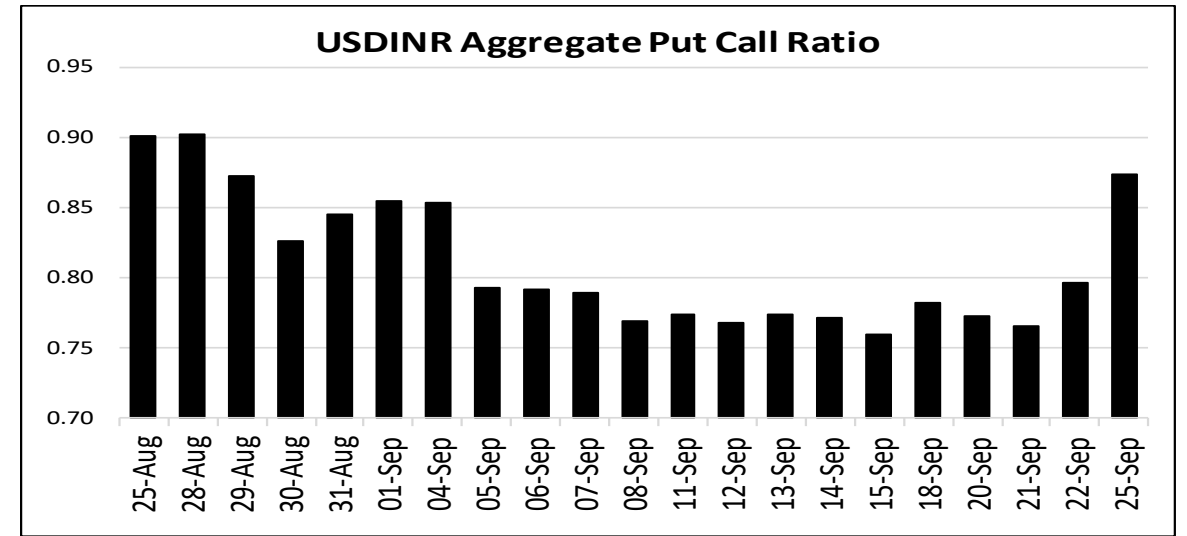
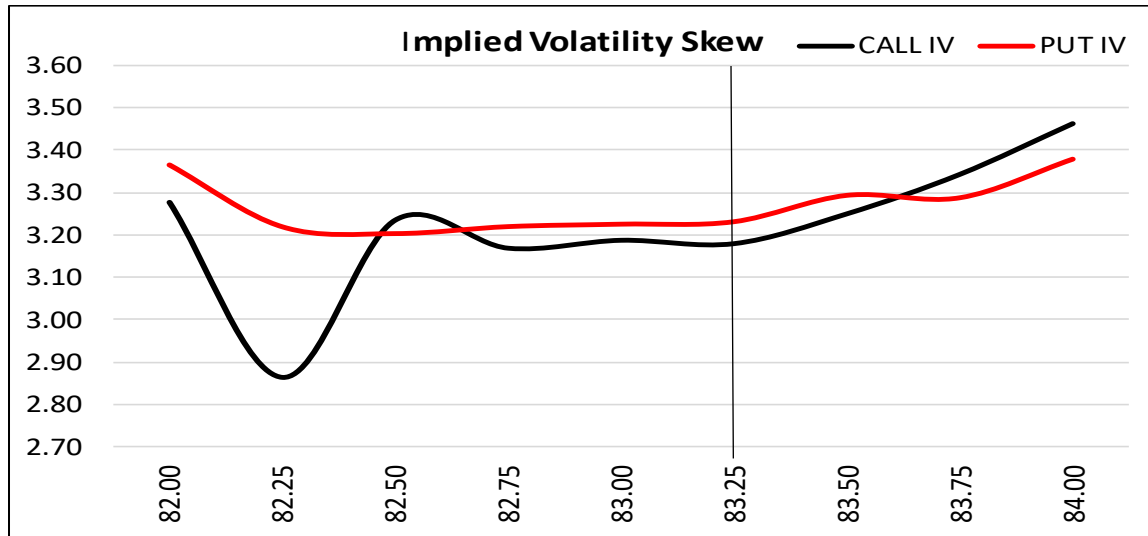
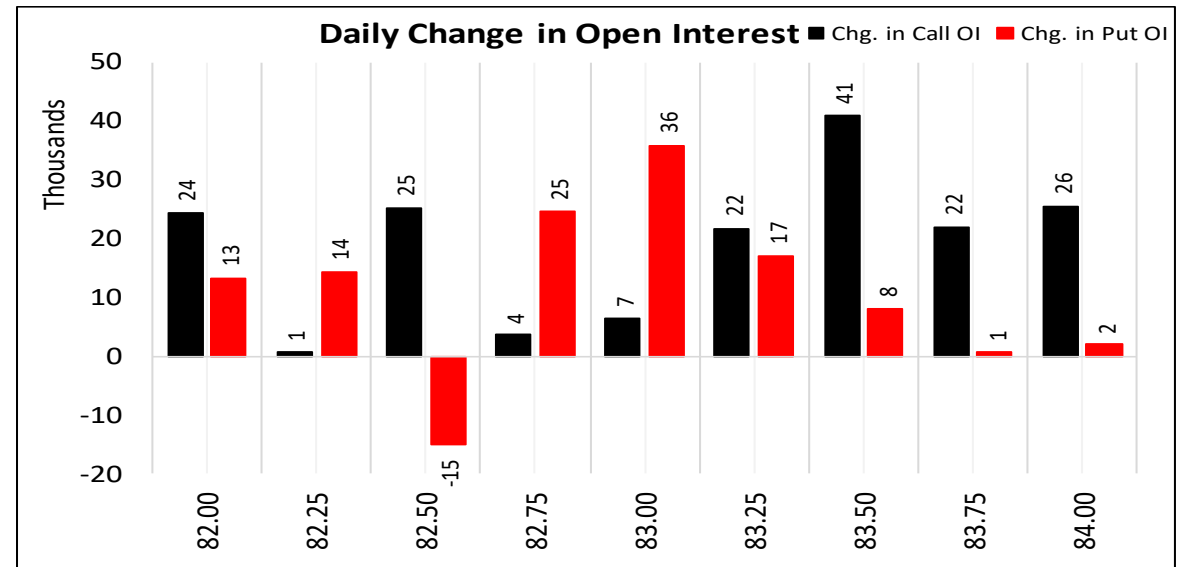
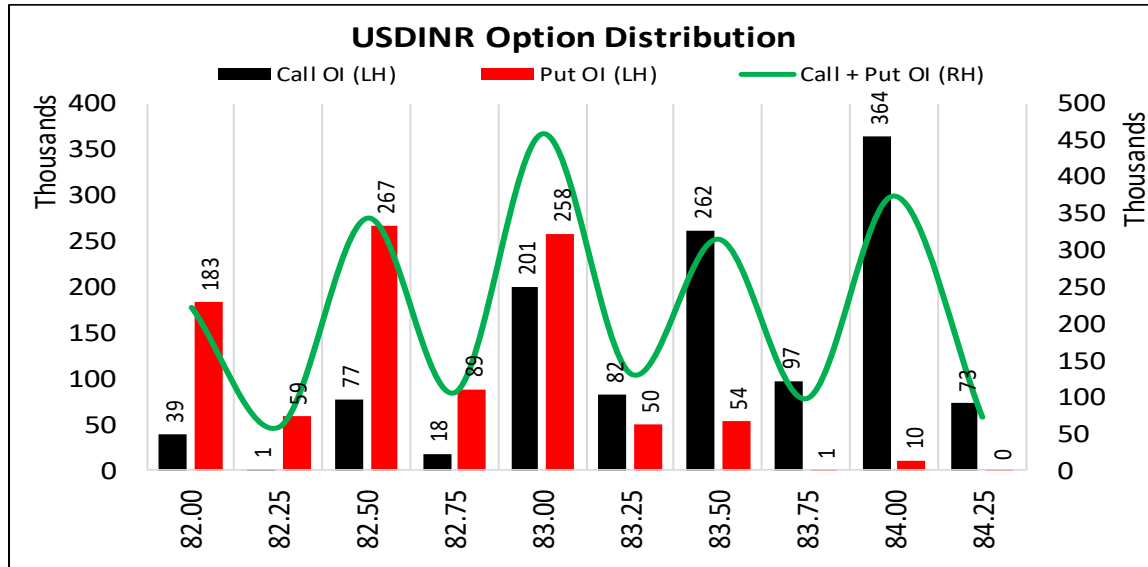
Currency Derivative Price Actions

Currency Pair	Open	High	Low	Close	% Change	Open Interest	% Chg. in OI	Agg. OI	% Chg. In Agg. OI	Volume	% Chg. Volume
USDINR Oct Fut	83.1000	83.2650	83.1000	83.2475	0.21%	2,986,689	52.4%	7,059,912	5.7%	2,012,543	70.5%
EURINR Oct Fut	88.6625	88.8000	88.5500	88.6925	0.18%	105,902	29.2%	187,201	-4.4%	104,298	26.5%
GBPINR Oct Fut	101.8000	102.0000	101.7150	101.9550	0.09%	135,241	14.0%	299,740	-5.7%	122,404	-8.7%
JPYINR Oct Fut	56.3100	56.5875	56.3100	56.4300	0.00%	63,305	54.9%	166,560	-3.8%	50,345	57.0%
EURUSD Oct Fut	1.0653	1.0682	1.0653	1.0682	0.28%	99	890.0%	1,638	1.9%	92	2200.0%
GBPUSD Oct Fut	1.1401	1.1401	1.1401	1.2234	-0.15%	-	#VALUE!	867	16.4%	#N/A N/A	#VALUE!
USDJPY Oct Fut	147.81	147.81	147.10	147.39	-0.06%	817	663.6%	1,770	-3.5%	931	46450.0%

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	83.25	83.20	82.87	83.04	83.14	83.31	83.37	83.53	83.24	83.12	55.21
EURINR Oct Fut	88.69	88.68	88.18	88.43	88.56	88.81	88.93	89.18	88.85	89.43	35.34
GBPINR Oct Fut	101.96	101.89	101.32	101.61	101.78	102.07	102.18	102.46	102.48	103.79	25.49
JPYINR Oct Fut	56.43	56.44	55.89	56.17	56.30	56.58	56.72	57.00	56.64	57.00	28.64
EURUSD Oct Fut	1.0682	1.0672	1.0614	1.0643	1.0663	1.0692	1.0701	1.0730	1.0678	1.0762	37.12
GBPUSD Oct Fut	1.2234	1.1679	1.1679	1.1679	1.1956	1.1956	1.1679	1.1679	1.2301	1.2486	23.60
USDJPY Oct Fut	147.39	147.43	146.01	146.72	147.06	147.77	148.14	148.85	147.18	146.14	68.45

USDINR Oct Month Option Charts



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