

HDFC securities Retail Research

Currency Daily

1 August 2024



Currency Movements

Name	Current Price	Previous Close	Change	% Change
USDINR	83.728	83.725	0.003	0.00%
DXY Index	103.91	104.10	-0.19	-0.18%
EURUSD	1.0833	1.083	0.001	0.06%
GBPUSD	1.2858	1.286	0.000	0.02%
USDJPY	148.63	149.98	-1.350	-0.90%
USDCNH	7.2139	7.227	-0.013	-0.18%
US 10 Yr. Yield	4.041	4.030	0.011	0.29%
USDINR 1M FWD	83.76	83.78	-0.02	-0.02%
India 10 Yr. Yield	6.926	6.933	-0.007	-0.10%

Global Equity Markets

Name	Current Price	Previous Close	Change	% Change
Nifty	24951	24857	94	0.38%
Sensex	81741	81455	286	0.35%
Hang Seng	17328	17345	-17	-0.10%
Nikkie	37983	39102	-1119	-2.86%
Shanghai	2940	2939	1	0.05%
S&P Index	5522	5436	86	1.58%
Dow Jones	40843	40743	99	0.24%
Nasdaq	19362	18796	566	3.01%
FTSE	8368	8274	94	1.13%
CAC	7531	7475	57	0.76%
DAX	18509	18411	97	0.53%

Market Roundup

- ▶ On Wednesday, the dollar index had its worst day since May, supporting a rally in emerging markets and Asian currencies excluding the yen, which rallied against the greenback. The rebound in crude oil prices and foreign fund outflows could push the rupee lower in the near term.
- ▶ Spot USDINR little changed at 83.73, another day of lacklustre trade. However, it closed at a record low. Technical setup remains bullish for the USDINR, but the higher side is capped around 83.85 while 83.60 remains strong support on the downside.
- ▶ *Markets are pricing a roughly 50-50 possibility that the BOE may start cutting rates, which could weigh on the pound.*
- ▶ **Market Updates:**
 - The US dollar fell after the Federal Reserve left its policy rate unchanged at 5.25-5.50%, with Chair Jerome Powell noting in a press conference that an interest-rate cut could come as soon as September.
 - Federal Reserve Chair Jerome Powell signalled that the central bank officials are on course to cut interest rates in September unless inflation progress stalls, citing risks of further labour-market weakening.
 - Interest-rate swaps showed traders have fully priced in a quarter-point cut in September — and a total of almost 70 basis points worth of reductions for the year.
 - The BOJ raised its policy rate to around 0.25%; Governor Kazuo Ueda cited a weak yen as a risk factor for rising inflation and suggested that the central bank could raise rates beyond 0.5% if necessary, underscoring his determination to normalise monetary policy.
 - China's manufacturing activity unexpectedly shrank for the first time in nine months in July. The Caixin manufacturing purchasing managers index fell to 49.8 last month from 51.8 in June, according to a statement released by Caixin and S&P Global Thursday.
 - West Texas Intermediate rose early Thursday in commodities to compound its 4.3% advance Wednesday, the biggest daily jump in over two years. Gold was steady after touching a record high on Wednesday.

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