

HDFC securities Retail Research Currency Daily

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Analyst:
Dilip Parmar
dilip.parmar@hdfcsec.com



Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	74.6600	74.7262	-0.0662	-0.09%
DXY Index*	90.9900	90.8800	0.1100	0.12%
EURUSD*	1.2078	1.2081	-0.0003	-0.02%
GBPUSD*	1.3878	1.3910	-0.0032	-0.23%
USDJPY*	108.90	108.28	0.62	0.57%
USDINR 1M NDF*	74.90	74.94	-0.0400	-0.05%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	14653.1	14485.0	168.0	1.16%
Sensex	48944.1	48386.5	557.6	1.15%
Hang-Seng	28975.0	28941.5	33.4	0.12%
Nikkei	29056.7	28991.9	64.8	0.22%
Shanghai	3436.1	3442.6	-6.5	-0.19%
S&P Index	4186.7	4187.6	-0.9	-0.02%
Dow Jones	33984.9	33981.6	3.4	0.01%
Nasdaq	14090.2	14138.8	-48.6	-0.34%
FTSE	6945.0	6963.1	-18.1	-0.26%
CAC	6273.8	6275.5	-1.8	-0.03%
DAX	15249.3	15296.3	-47.1	-0.31%

* Prev. Close 5pm IST

All Eyes will be on FOMC for signal on QE taper

- » Indian rupee expected to continue its' north bound journey in today's trade ahead of the April month derivative contract expiry. Momentum has shifted slightly upward amid profit booking in dollar against rupee after many nations pledge to support country to fight against deadly virus. On Tuesday, spot USDINR closed at 74.66 fell 7 paise or one tenth percentage point. The pair is expected to trade in the range of 74.50 to 75.10 in coming days. However, the trend remains upward and this could be just a long unwinding after sharp surge in last couple of days.
- » Foreign selling of India's bonds accelerated in the past week as the yield on the benchmark 10-year government bond fell. The yield on the Indian 10-year government bond fell five basis points to 6.038 percent over the past week. The 5-day moving average of net foreign outflows accelerated to \$16.6 million, falling below the 20-day average of \$29.4 million in inflows, according to data from the Central Depository Services (India) Ltd.
- » Asian assets look primed for a quiet Wednesday as investors wait for what the Fed brings in the U.S. session. S&P500 and Dow moved a combined absolute value of only 0.031%, this is the 4th smallest day in last five year.
- » The dollar rose with Treasury yields after better than expected economic data. The pound fell the most in nearly a week against a stronger dollar, as allegations of sleaze continued to swirl around the U.K. government.
- » The focus will remain on FOMC meeting outcome later tonight as Central bankers worldwide will be watching the Wednesday decision of the Federal Reserve for signals on timing of QE taper. The Fed is expected to announce it will begin trimming its \$120 billion in monthly asset purchases before the end of the year as the U.S. economy recovers strongly from Covid-19.

USDINR May Daily Chart



Technical Observations:

- » USDINR May futures formed bearish candle for the fourth day in row suggesting fresh short build-up.
- » The pair has previous bottom support at 74.70 followed by 74.38, the 100 days Simple moving average. It has resistance at 75.30, the 200 days simple moving average.
- » Momentum oscillators and indicators on daily turned weak indicating weakness.
- » Today being an April month derivative contract expiry, we believe USDINR May futures could trade in the range of 74.70 to 75.10 with slightly negative bias.

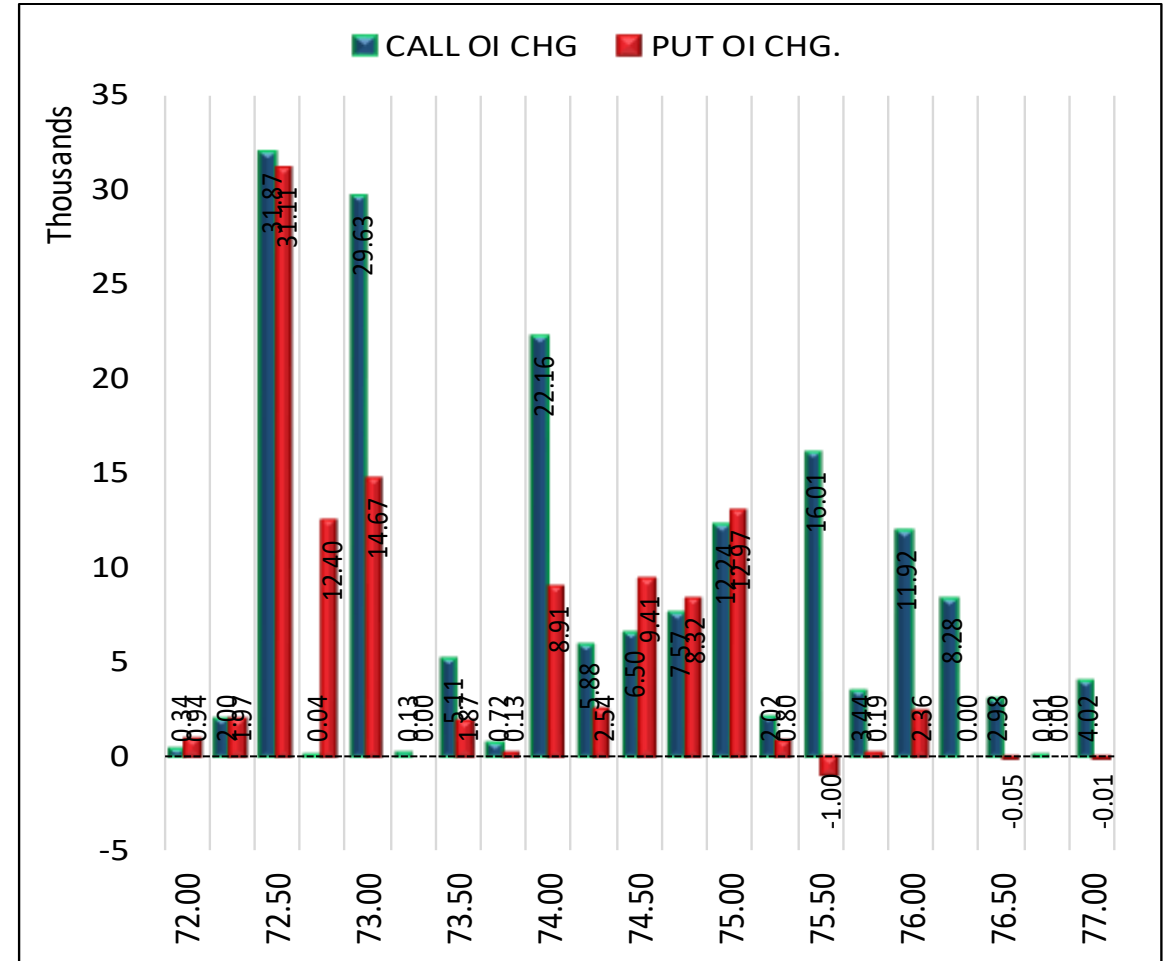
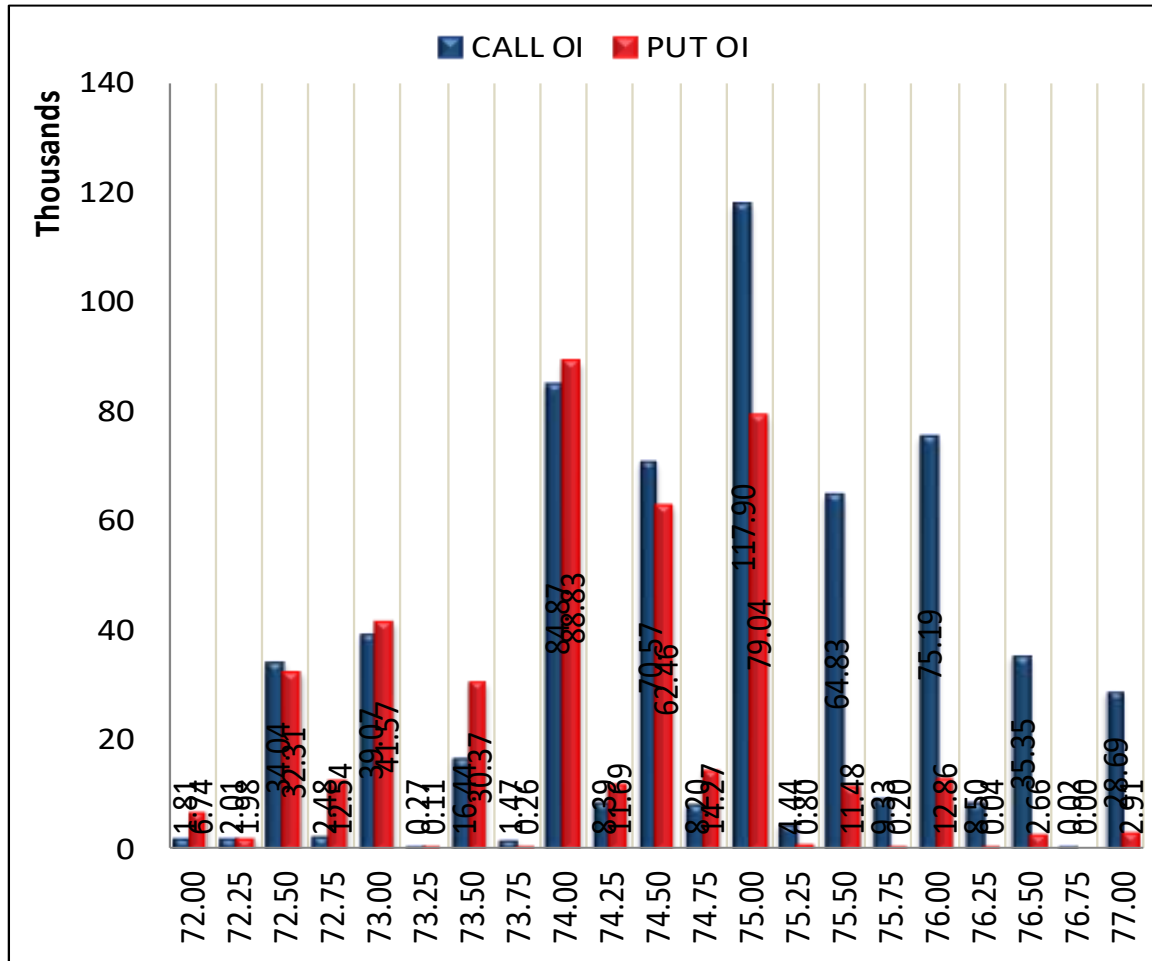
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future May21	75.1475	75.1475	74.8225	74.9225	-0.21	2275693	277942	1277458	543872
NSE EURINR Future May21	90.9975	90.9975	90.3600	90.4900	-0.29	108439	21444	82203	34543
NSE GBPINR Future May21	104.2500	104.2500	103.8800	104.1700	-0.11	161270	22471	124883	40614
NSE JPYINR Future May21	69.3800	69.5300	69.1125	69.1850	-0.61	14318	2231	15185	3187
NSE EURUSD Fut May21	1.2074	1.2077	1.2059	1.2076	-0.24	1383	969	1063	672
NSE GBPUSD Fut May21	1.3882	1.3905	1.3858	1.3900	0.07	193	96	325	169
NSE USDJPY Fut May21	108.23	108.48	108.14	108.26	0.41	28	16	30	24

Technical Levels

Currency Pairs	LAST	PIVOT	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA
NSE INRUSD Future May21	74.92	74.96	74.17	74.64	74.78	75.11	75.29	75.43	75.22	74.55
NSE EURINR Future May21	90.49	90.62	89.09	89.98	90.23	90.87	91.25	91.51	90.75	88.83
NSE GBPINR Future May21	104.17	104.10	103.14	103.73	103.95	104.32	104.47	104.69	104.62	102.91
NSE JPYINR Future May21	69.19	69.28	68.28	68.86	69.02	69.44	69.69	69.86	69.58	68.36
NSE EURUSD Fut May21	1.2076	1.2071	1.2023	1.2053	1.2064	1.2082	1.2089	1.2100	1.2076	1.1923
NSE GBPUSD Fut May21	1.39	1.3888	1.3764	1.3841	1.3870	1.3917	1.3935	1.3964	1.39124	1.381615
NSE USDJPY Fut May21	108.26	108.29	107.46	107.95	108.11	108.45	108.63	108.79	108.10	109.08

USDINR May Month Option Distribution



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HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Binkle R. Oza Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

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