

HDFC securities Retail Research Currency Daily

29 April 2021

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Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	74.3650	74.6600	-0.2950	-0.40%
DXY Index*	90.4860	91.0570	-0.5710	-0.63%
EURUSD*	1.2143	1.2067	0.0076	0.63%
GBPUSD*	1.3966	1.3866	0.0100	0.72%
USDJPY*	108.52	108.97	-0.45	-0.41%
USDINR 1M NDF*	74.66	74.74	-0.0800	-0.11%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	14864.6	14653.1	211.5	1.44%
Sensex	49733.8	48944.1	789.7	1.61%
Hang-Seng	29071.3	28941.5	129.8	0.45%
Nikkei	29054.0	28991.9	62.1	0.21%
Shanghai	3457.1	3442.6	14.5	0.42%
S&P Index	4183.2	4186.7	-3.5	-0.08%
Dow Jones	33820.4	33984.9	-164.6	-0.48%
Nasdaq	14051.0	14090.2	-39.2	-0.28%
FTSE	6963.7	6945.0	18.7	0.27%
CAC	6307.0	6273.8	33.2	0.53%
DAX	15292.2	15249.3	42.9	0.28%

* Prev. Close 5pm IST

Dollar plunges as FOMC remains dovish

- »» Dollar plunges after Federal Reserve Chair Jerome Powell and his colleagues upgraded their assessment of the U.S. economy but said they were not yet ready to consider scaling back pandemic support. FOMC held key interest rate near zero and maintaining a \$120 billion monthly pace of asset purchases. The central bank's reiteration that inflation pressures are likely "transitory" helped Treasuries rally.
- »» Rupee to benefit from spillover from a short squeeze in its bond markets, as investors looked to re-enter the market despite continuing poor Covid-19 news. Waning demand for the haven of the U.S. dollar helped push rupee higher in today's trade. Market also expecting foreign fund inflows from reliance deal which may add gains in rupee.
- »» On Wednesday, spot USDINR closed at 74.37, down 30 paise or 0.40%, marking third consecutive daily gains. Technically, the pair has support at 73.90 and resistance at 74.70. The bias for today remains on down side following risk-on sentiments and weaker dollar index.
- »» Indian sovereign bond were largely resilient on Wednesday, with the yield on benchmark 10-year bond steady at 6.05%. It has declined 13 basis points this month.
- »» The dollar was on the back foot near nine-week lows today after dovish outlook by Fed which gave green light for the global reflation trade. It pushed euro to cross major trendline resistance at \$1.2114 and power up to the highest since late February at 1.2135, opened the way to bull targets of \$1.2196 and \$1.2242. Dollar expected to trade left as US President Joe Biden unveiled plans for a \$1.9 trillion stimulus package that Biden called "one of the most consequential rescue packages in American history."
- »» The pound rises over the greenback on buying by fast money funds as a deal for Aon's acquisition of Willis Towers Watson for \$30b draws closer.

USDINR May Daily Chart



Technical Observations:

- USDINR May futures expected to open lower as it breaks the recent low, confirming double top. The double top pattern target comes at 73.45, that is coincide with 50 and 100 Days simple moving average.
- Momentum oscillators and indicators on daily chart turned weak indicating further weakness in pair.
- USDINR May futures is expected to head towards 73.87 level in coming day while continue to resist at 75

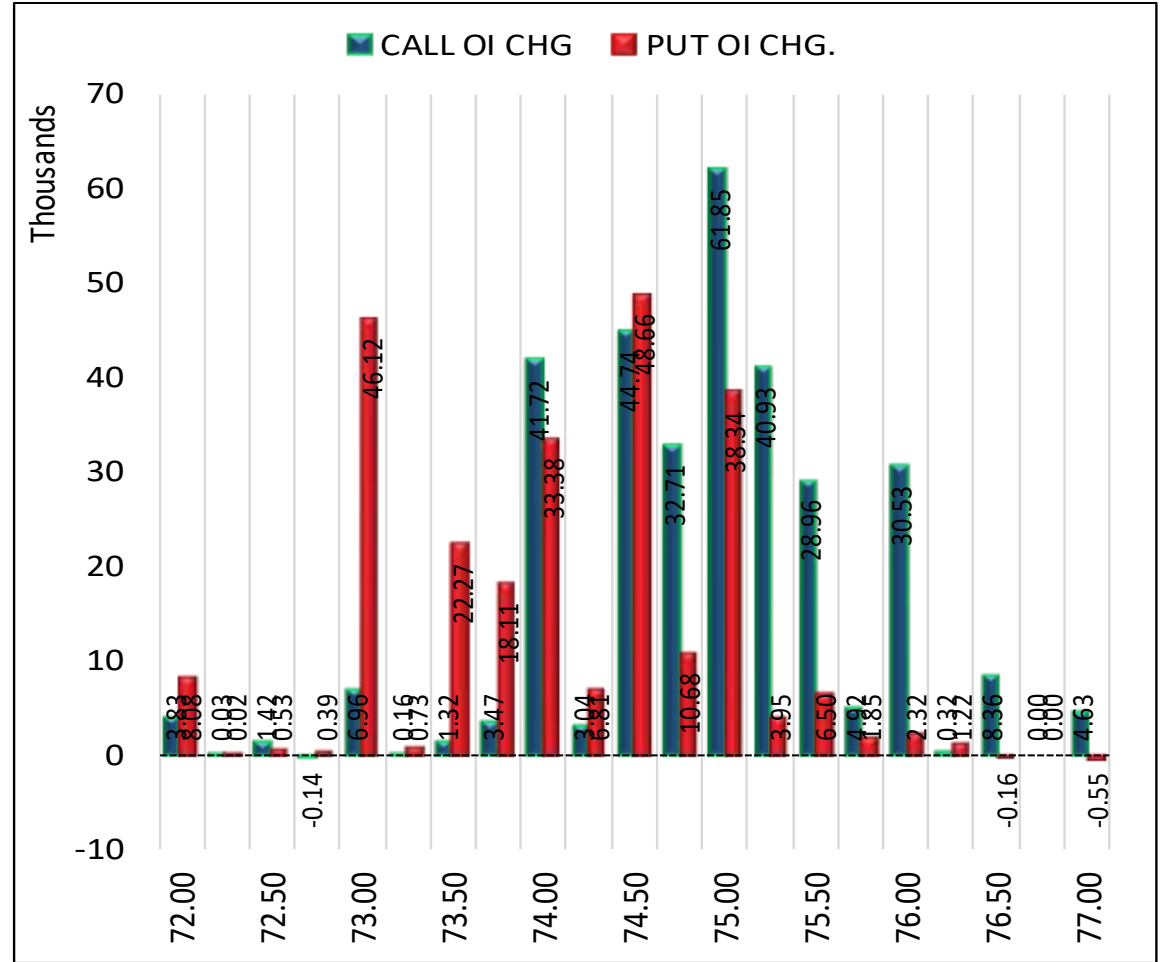
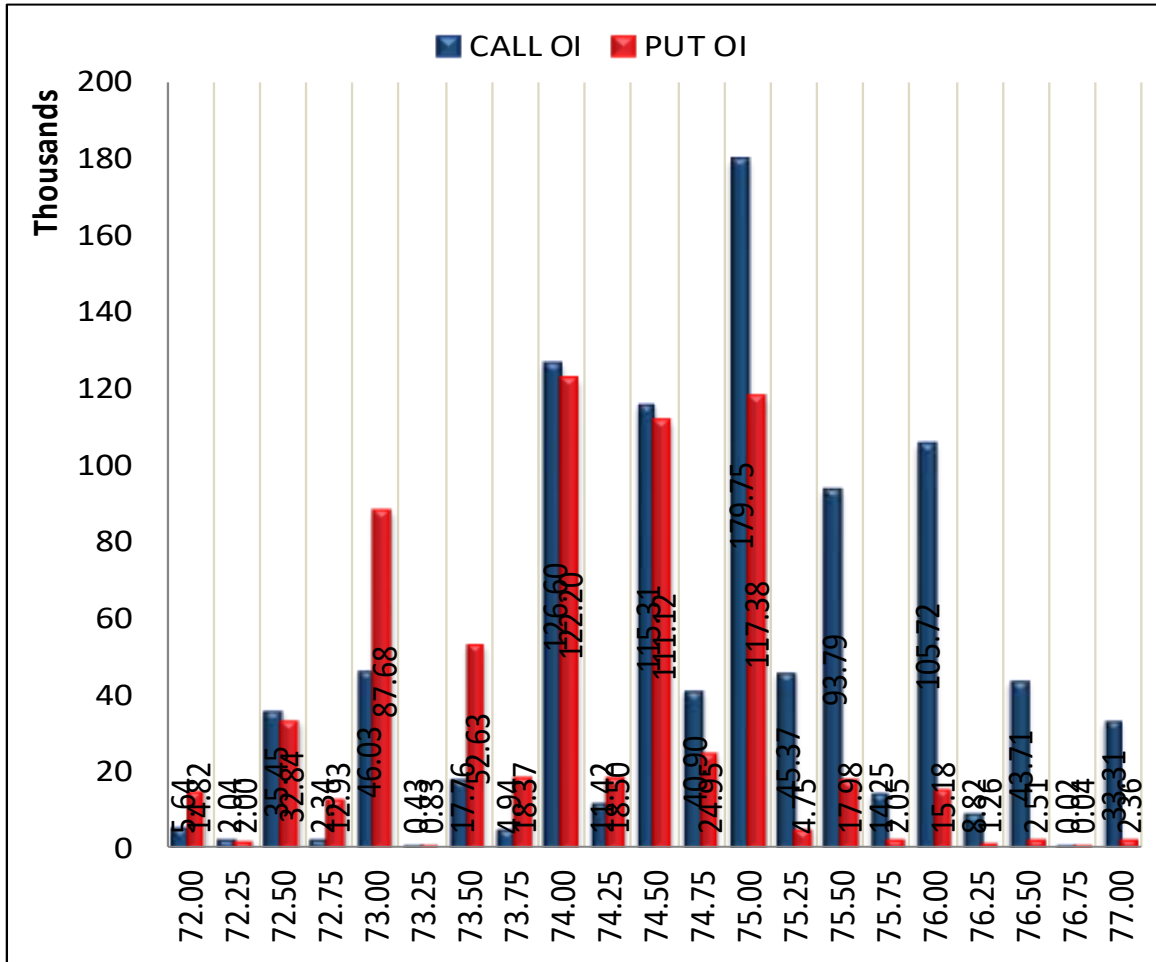
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future May21	74.9425	74.9425	74.6175	74.7050	-0.29	2668511	392818	2760413	1482955
NSE EURINR Future May21	90.4225	90.4525	90.0900	90.1575	-0.37	126952	18513	153134	70931
NSE GBPINR Future May21	104.1700	104.1700	103.5275	103.5550	-0.59	158196	-3074	298510	173627
NSE JPYINR Future May21	68.8550	68.8550	68.5175	68.5625	-0.90	15718	1400	37139	21954
NSE EURUSD Fut May21	1.2071	1.2075	1.2053	1.2064	-0.10	2024	641	1207	144
NSE GBPUSD Fut May21	1.3876	1.3888	1.3855	1.3862	-0.27	662	469	901	576
NSE USDJPY Fut May21	108.88	109.05	108.76	108.98	0.67	213	185	210	180

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	74.71	74.76	73.97	74.43	74.57	74.89	75.08	75.22	75.08	74.62
NSE EURINR Future May21	90.16	90.23	89.37	89.87	90.01	90.38	90.60	90.74	90.61	88.97
NSE GBPINR Future May21	103.56	103.75	102.24	103.11	103.33	103.97	104.39	104.62	104.27	103.05
NSE JPYINR Future May21	68.56	68.65	67.84	68.31	68.44	68.77	68.98	69.11	69.38	68.41
NSE EURUSD Fut May21	1.2064	1.2064	1.2009	1.2042	1.2053	1.2075	1.2086	1.2097	1.2076	1.1931
NSE GBPUSD Fut May21	1.3862	1.3868	1.3789	1.3835	1.3849	1.3882	1.3901	1.3915	1.3888	1.38204
NSE USDJPY Fut May21	108.98	108.93	108.18	108.64	108.81	109.10	109.22	109.39	108.23	109.10

USDINR May Month Option Distribution



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