

HDFC securities Retail Research Currency Daily

5 February 2021

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Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	72.9637	72.9613	0.0024	0.00%
DXY Index*	91.5080	91.4270	0.0810	0.09%
EURUSD*	1.1963	1.1993	-0.0030	-0.25%
GBPUSD*	1.3679	1.3577	0.0102	0.75%
USDJPY*	105.52	105.29	0.23	0.22%
USDINR 1M NDF*	73.23	73.22	0.0100	0.01%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	14895.7	14790.0	105.7	0.71%
Sensex	50614.3	50255.8	358.5	0.71%
Hang-Seng	29416.2	29113.5	302.7	1.04%
Nikkei	28709.0	28342.0	367.1	1.30%
Shanghai	3527.2	3501.9	25.3	0.72%
S&P Index	3871.7	3830.2	41.6	1.09%
Dow Jones	31055.9	30723.6	332.3	1.08%
Nasdaq	13777.7	13610.5	167.2	1.23%
FTSE	6503.7	6507.8	-4.1	-0.06%
CAC	5608.5	5563.1	45.5	0.82%
DAX	14060.3	13933.6	126.7	0.91%

* Prev. Close 5pm IST

All Eyes on RBI Monetary Policy

- » Rupee expected to open flat against US dollar ahead of central monetary policy outcome. Market don't expect any rate cut but would like to hear borrowing plan which could spike in higher volatility in bond market. Rupee 10-year yields may soon head to 6.50% and even higher unless the RBI can convince the bond market of its support.
- » The Dollar Spot Index is on track for its best week in three months as the economic data have been better than forecast, and economists are expecting at least \$1 trillion worth of stimulus by mid-March. ICE Dollar Index reached its best close since late November, but the bouncing buck was unable to derail the rally in USDINR mainly on back strong foreign fund inflows.
- » On Thursday, spot USDINR ended flat to 72.96. Technically, the pair is in down trend and expected remain in downtrend until it closes above 73.50 while on downside central bank likely protect the level of 72.75
- » Asian stocks looked set for gains after their U.S. peers climbed to a record on signs the labor market is healing.
- » USD/JPY has reached its 200-day moving average for the first time since June and some traders are looking for another quick spike higher once the line is breached. The upside path may be smoother because the pair already pushed above 105 option strikes this week.
- » The pound rebounded after the Bank of England said negative rates weren't imminent and the nation is heading for a rapid rebound on its vaccination efforts. A widely watched segment of the Treasury yield curve, the 5s30s spread, steepened to levels last seen in 2015 due to optimism about the economy.
- » **US Fiscal Stimulus:** Senate Budget Committee Chair Bernie Sanders is tapping an expert in the chamber's arcane rules as the panel's top lawyer, to help push through President Joe Biden's \$1.9 trillion relief package. The next step in the legislative process is due Thursday.

USDINR February Daily Chart



Technical Observations:

- » USDINR February futures facing resistance at 55 hours exponential moving average (EMA) and closed below 20 EMA.
- » The pair trading in bearish sequence of lower top lower bottom on daily and hourly chart.
- » Momentum oscillator, RSI on hourly chart placed below 50 and facing trend line resistance suggesting downward momentum.
- » Short term trend remains bearish until pair closes above 73.25 while on downside we could see level of 73 in coming days.

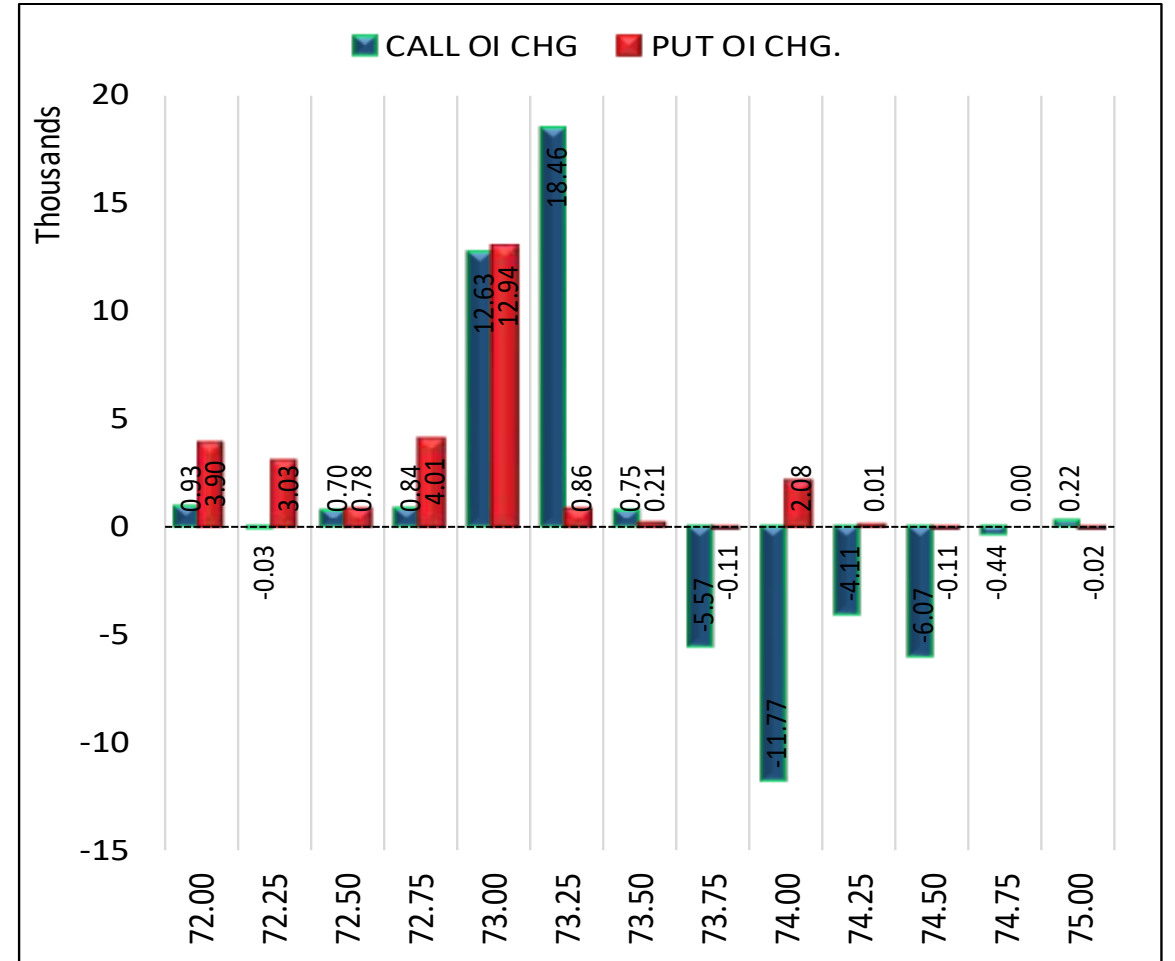
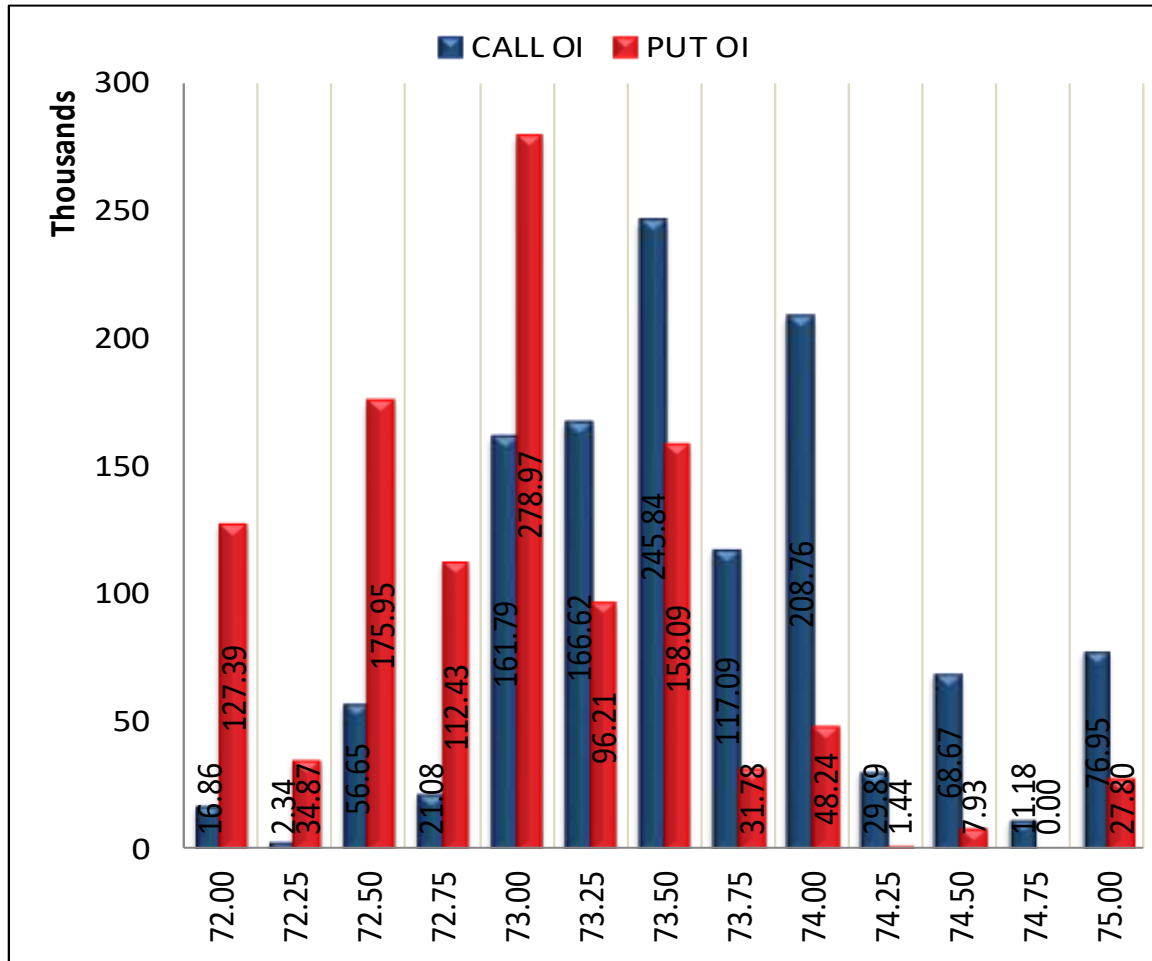
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future Feb21	73.1150	73.1650	73.0225	73.1500	0.03	3080836	205751	1759017	447500
NSE EURINR Future Feb21	87.9350	87.9625	87.6300	87.7750	-0.25	135402	-77	132732	30209
NSE GBPINR Future Feb21	99.7000	99.7000	99.2600	99.3775	-0.42	179174	2884	373437	80976
NSE JPYINR Future Feb21	69.5900	69.6300	69.4725	69.5200	-0.24	36562	224	32832	-88
NSE EURUSD Fut Feb21	1.2027	1.2031	1.1993	1.1996	-0.28	3314	165	3181	1578
NSE GBPUSD Fut Feb21	1.3633	1.3633	1.3580	1.3586	-0.42	5512	527	3269	-3191
NSE USDJPY Fut Feb21	105.07	105.15	104.81	105.31	0.29	136	22	27	17

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 Feb21	73.15	73.11	72.74	72.97	73.06	73.20	73.26	73.35	73.20	73.37
NSE EURINR Future Feb21	87.78	87.79	86.97	87.46	87.62	87.95	88.12	88.28	88.26	89.01
NSE GBPINR Future Feb21	99.38	99.45	98.38	99.01	99.19	99.63	99.89	100.07	99.98	100.07
NSE JPYINR Future Feb21	69.52	69.54	69.16	69.38	69.45	69.61	69.70	69.77	69.75	70.46
NSE EURUSD Fut Feb21	1.1996	1.2007	1.1917	1.1969	1.1982	1.2020	1.2045	1.2058	1.2057	1.2133
NSE GBPUSD Fut Feb21	1.3586	1.3600	1.3474	1.3547	1.3566	1.3619	1.3653	1.3672	1.36592	1.364305
NSE USDJPY Fut Feb21	105.31	105.09	104.13	104.75	105.03	105.37	105.43	105.71	104.98	104.13

USDINR Feb. Month Option Distribution



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