

HDFC securities Retail Research Currency Daily

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Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	72.9675	72.9288	0.0387	0.05%
DXY Index*	90.8010	91.1530	-0.3520	-0.39%
EURUSD*	1.2077	1.2032	0.0045	0.37%
GBPUSD*	1.3774	1.3695	0.0079	0.58%
USDJPY*	105.02	105.62	-0.60	-0.57%
USDINR 1M NDF*	73.16	73.21	-0.0500	-0.07%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	15115.8	14924.3	191.5	1.28%
Sensex	51348.8	50731.6	617.1	1.22%
Hang-Seng	29382.9	29319.5	63.4	0.22%
Nikkei	29501.1	29388.5	112.5	0.38%
Shanghai	3551.8	3532.4	19.3	0.55%
S&P Index	3915.6	3886.8	28.8	0.74%
Dow Jones	31385.8	31148.2	237.5	0.76%
Nasdaq	13987.6	13856.3	131.3	0.95%
FTSE	6523.5	6489.3	34.2	0.53%
CAC	5686.0	5659.3	26.8	0.47%
DAX	14059.9	14056.7	3.2	0.02%

* Prev. Close 5pm IST

Dollar Falls as Risk Rally Extends

- » Indian rupee expected to open slightly higher following overnight weakness in dollar index and stronger Asian currencies. Foreign fund inflows continue in domestic market following risk-on sentiments.
- » Spot USDINR erases Friday's loss to close at 72.97 with the gain of 4 paise. Though the bias remains bearish until it breaks the level of 73.50 while on down we could see central bank intervention around 72.75.
- » Indian sovereign bonds extend gains after the central bank announced 200b rupees (\$2.7b) of bond purchases to cap a surge in yields. Yield on the most-traded 5.77% 2030 bond fell 4bps to close at 6.09% on Monday after the OMO announcement. Benchmark 10-year yield 3bps lower at 6.04% after rising by 17bps last week.
- » The dollar weaken broadly against its Group-of-10 peers for a Third session Tuesday as the prospects for a robust federal spending package and signs of the U.S. economy reopening sparked a rally in risk assets. The MSCI Asia Pacific index has resumed the uptrend which stalled last month and that will be the catalyst for the next phase of Asian FX strength.
- » Yet another day in financial markets with many equity markets hitting new all-time highs and the vix completed a remarkable roundtrip towards recent lows. Overall the background for risk assets remains positive even with the recent nominal yield rise as real yields remain depressed. Asian equities expected to trade with positive bias following mother market, as the S&P 500 gains for a sixth consecutive session, its longest winning streak since August on reflation trades.
- » The first committee votes on elements of President Joe Biden's \$1.9 trillion Covid-19 relief package begin on Tuesday, House schedules showed.

USDINR February Hourly Chart



Technical Observations:

- » USDINR February futures faced resistance at 55 EMA on hourly chart.
- » The trend remains bearish following sequence of lower peak and trough on major time scale.
- » Momentum oscillators on daily and hourly time frames remain weak suggesting continuation of downward momentum.
- » In near term, USDINR February futures has support at 72.90 and resistance at 73.20 followed by 73.42.
- » We remain bearish and intraday bounce will be used to make fresh short by keeping stop above 73.20.

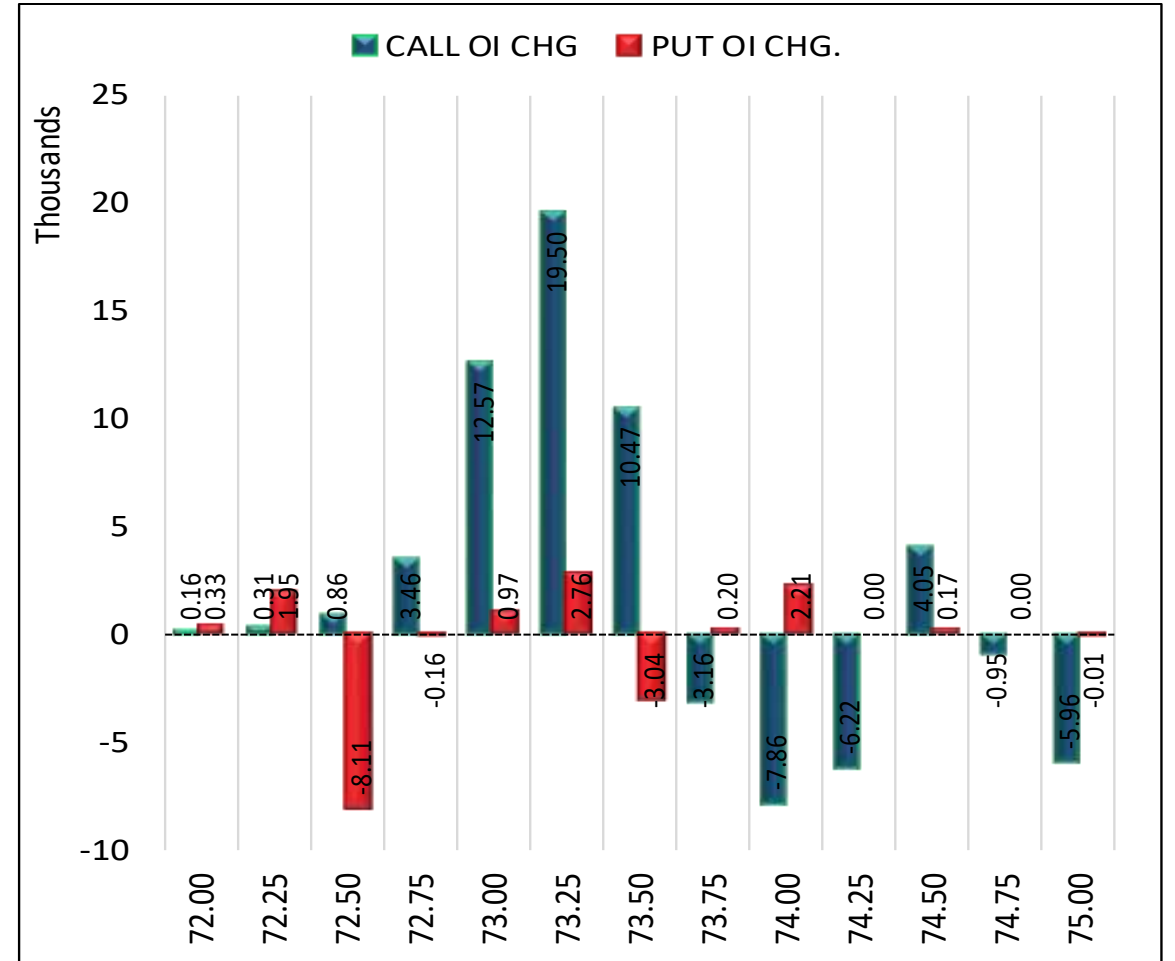
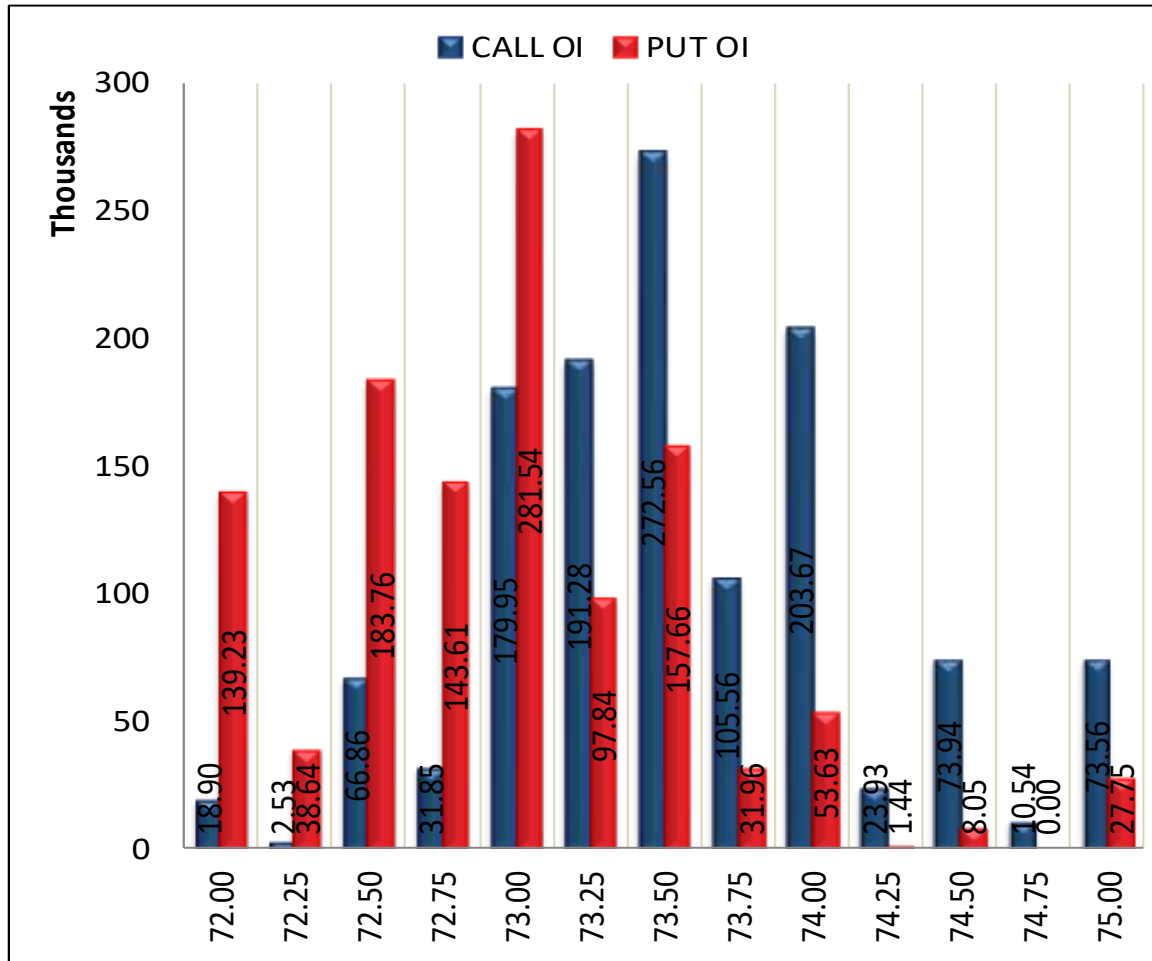
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future Feb21	73.0900	73.1900	72.9500	73.1000	0.04	3358696	216924	1593369	-122254
NSE EURINR Future Feb21	87.8250	88.0100	87.8200	87.9900	0.51	111442	-15543	143667	15884
NSE GBPINR Future Feb21	100.1100	100.2975	100.0375	100.0700	0.14	154452	-7529	354441	-25001
NSE JPYINR Future Feb21	69.2950	69.2950	69.1650	69.2600	0.05	38723	-268	45992	1205
NSE EURUSD Fut Feb21	1.2027	1.2052	1.2027	1.2038	0.44	2563	-307	2121	-543
NSE GBPUSD Fut Feb21	1.3725	1.3734	1.3683	1.3688	0.09	2604	212	3044	-6591
NSE USDJPY Fut Feb21	105.36	105.59	105.36	105.50	-0.04	163	6	14	-13

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	73.10	73.08	72.47	72.84	72.97	73.21	73.32	73.45	73.13	73.31
NSE EURINR Future Feb21	87.99	87.94	87.44	87.75	87.87	88.06	88.13	88.25	87.89	88.76
NSE GBPINR Future Feb21	100.07	100.14	99.52	99.88	99.97	100.23	100.40	100.49	99.85	100.06
NSE JPYINR Future Feb21	69.26	69.24	68.91	69.11	69.19	69.32	69.37	69.45	69.49	70.29
NSE EURUSD Fut Feb21	1.2038	1.2039	1.1977	1.2014	1.2026	1.2051	1.2064	1.2076	1.2018	1.2107
NSE GBPUSD Fut Feb21	1.3688	1.3702	1.3581	1.3651	1.3669	1.3720	1.3753	1.3771	1.36532	1.36533
NSE USDJPY Fut Feb21	105.50	105.48	104.90	105.25	105.38	105.61	105.71	105.84	105.27	104.31

USDINR Feb. Month Option Distribution



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