

HDFC securities Retail Research Currency Daily

10 February 2021

Analyst:
Dilip Parmar
dilip.parmar@hdfcsec.com



Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	72.8850	72.9675	-0.0825	-0.11%
DXY Index*	90.4710	90.6130	-0.1420	-0.16%
EURUSD*	1.2118	1.2101	0.0017	0.14%
GBPUSD*	1.3819	1.3777	0.0042	0.30%
USDJPY*	104.64	104.69	-0.05	-0.05%
USDINR 1M NDF*	73.15	73.16	-0.0100	-0.01%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	15109.3	15115.8	-6.5	-0.04%
Sensex	51329.1	51348.8	-19.7	-0.04%
Hang-Seng	29902.6	29476.2	426.4	1.45%
Nikkei	29458.7	29505.9	-47.3	-0.16%
Shanghai	3626.2	3603.5	22.7	0.63%
S&P Index	3911.2	3915.6	-4.4	-0.11%
Dow Jones	31375.8	31385.8	-9.9	-0.03%
Nasdaq	14007.7	13987.6	20.1	0.14%
FTSE	6531.6	6523.5	8.0	0.12%
CAC	5691.5	5686.0	5.5	0.10%
DAX	14011.8	14059.9	-48.1	-0.34%

* Prev. Close 5pm IST

Rupee expected to open with minor gains on weaker dollar index

- »» Indian rupee expected to open with minor gains following weaker dollar index and continuation of foreign fund inflows in domestic equities. Rupee's movement in the last three trading sessions has reinforced the view that the currency remains mired in a narrow trading range on back of central bank's intervention even after higher inflows and carry. The one month forward USDINR at the time of writing quoted at 73.15 a paise lower from yesterday's price while dollar index trading around 90.50.
- »» On Tuesday, rupee gained 8 paise to settle at 72.89 against the US dollar, gaining third day in row, on the back of sustained foreign fund inflows and weak American currency. However, surging crude prices and subdued domestic equity market could hit the rupee sentiment and restricted the gains.
- »» The primary trend for USDINR remains down with immediate support at 72.70 followed by 72.40 while resistance at 73.33 levels, the 50 days SMA. Higher forward premia's of around 5.12% are also inviting carry traders.
- »» Asian stocks looked set for a mixed start after their U.S. peers halted a six-day winning streak as investors contemplated whether commitments by the Federal Reserve and the Biden administration to let the economy run hot will spark destabilizing inflation. Elsewhere, WTI crude rallied for a seventh straight day to \$58.5 a barrel, up 58% from the end of November.
- »» China's PPI turns positive at 0.3% for the first time since January 2020. CPI declined 0.3% in January as compared with a year ago.
- »» Investors are awaiting a speech by Federal Reserve Chair Jerome Powell and U.S. inflation data due this week to ascertain the greenback's near-term direction.

USDINR February Hourly Chart



Technical Observations:

- » USDINR February futures formed small body suggesting consolidation near 73 odd levels.
- » The pair has been trading well below short term moving averages and has resistance at 73.38, high of February month.
- » Momentum oscillator, RSI is hover around sub 50 indicating consolidation in USDINR.
- » Near term range for USDINR Feb. fut. Is 73.15 to 72.70.
- » We remain bearish in USDINR February futures and expect it can move towards 72.90 followed by 72.70 before giving any sustainable buying interest.

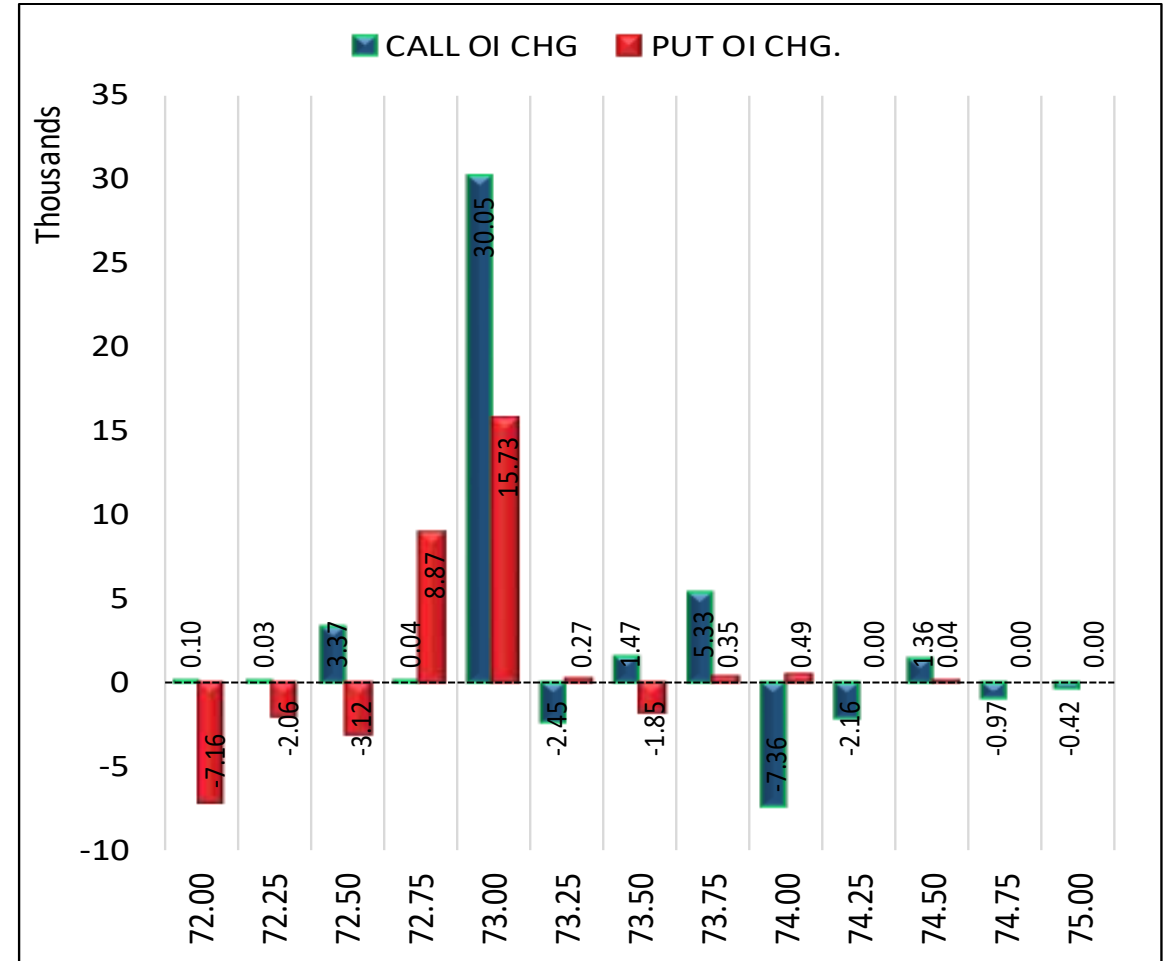
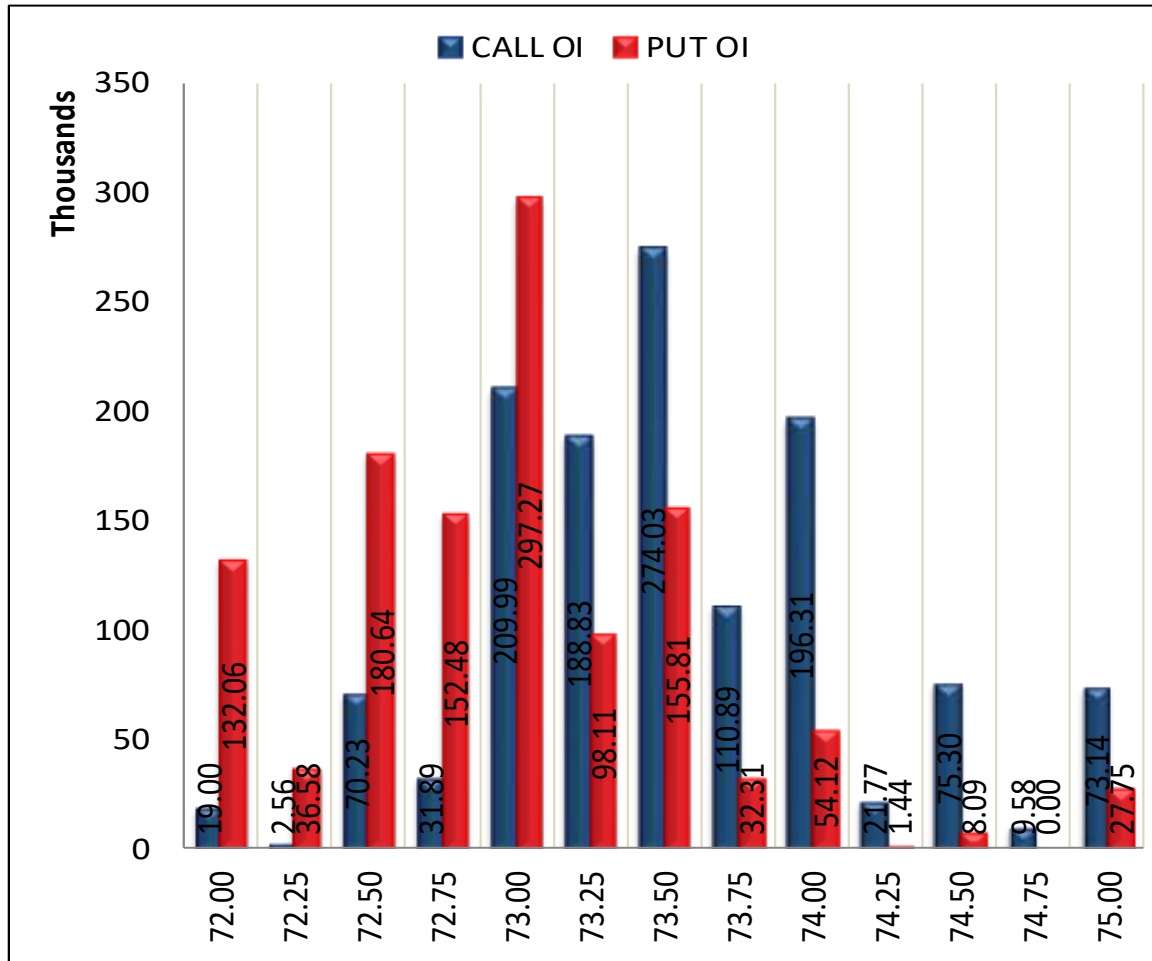
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future Feb21	72.9200	73.0750	72.9200	73.0350	-0.09	3488464	129768	1515386	-77983
NSE EURINR Future Feb21	88.1000	88.4650	88.1000	88.3725	0.43	101742	-9700	158283	14616
NSE GBPINR Future Feb21	100.5000	100.6300	100.4525	100.4900	0.42	211053	56601	412325	57884
NSE JPYINR Future Feb21	69.3900	69.8725	69.3900	69.7600	0.72	29774	-8949	61035	15043
NSE EURUSD Fut Feb21	1.2071	1.2111	1.2070	1.2100	0.52	2691	128	2204	83
NSE GBPUSD Fut Feb21	1.3761	1.3777	1.3755	1.3761	0.53	3475	871	4409	1365
NSE USDJPY Fut Feb21	104.99	104.99	104.64	104.66	-0.80	45	-118	170	156

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	73.04	73.01	72.61	72.86	72.95	73.10	73.17	73.26	73.10	73.28
NSE EURINR Future Feb21	88.37	88.31	87.37	87.95	88.16	88.53	88.68	88.89	87.94	88.69
NSE GBPINR Future Feb21	100.49	100.52	100.10	100.35	100.42	100.60	100.70	100.77	99.93	100.11
NSE JPYINR Future Feb21	69.76	69.67	68.43	69.19	69.48	69.96	70.16	70.44	69.49	70.23
NSE EURUSD Fut Feb21	1.2100	1.2094	1.1988	1.2053	1.2076	1.2117	1.2135	1.2158	1.2030	1.2104
NSE GBPUSD Fut Feb21	1.3761	1.3764	1.3711	1.3742	1.3752	1.3774	1.3786	1.3796	1.36708	1.36653
NSE USDJPY Fut Feb21	104.66	104.76	103.94	104.41	104.54	104.89	105.11	105.24	105.20	104.34

USDINR Feb. 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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