

# HDFC securities Retail Research Currency Daily

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## Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	73.0275	72.9538	0.0737	0.10%
DXY Index*	90.8740	90.8370	0.0370	0.04%
EURUSD*	1.2083	1.2082	0.0001	0.01%
GBPUSD*	1.3692	1.3715	-0.0023	-0.17%
USDJPY*	104.90	104.90	0.00	0.00%
USDINR 1M NDF*	73.31	73.36	-0.0500	-0.07%

## Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	14281.2	13634.6	646.6	4.74%
Sensex	48600.6	46285.8	2314.8	5.00%
Hang-Seng	29373.7	28892.9	480.8	1.66%
Nikkei	28305.8	28091.1	214.7	0.76%
Shanghai	3518.4	3505.3	13.1	0.37%
S&P Index	3773.9	3714.2	59.6	1.61%
Dow Jones	30211.9	29982.6	229.3	0.76%
Nasdaq	13403.4	13070.7	332.7	2.55%
FTSE	6466.4	6407.5	59.0	0.92%
CAC	5461.7	5399.2	62.5	1.16%
DAX	13622.0	13432.9	189.2	1.41%

\* Prev. Close 5pm IST

## Rupee Could Open Slightly Higher As Markets Give Thumbs Up To Budget

- » Indian rupee expected to open slightly higher from yesterday's level as market participants believe growth driven budget announcement which will attract more flows in the country. From the bond market perspective, heavy borrowing and fiscal number weigh on bond markets but the focus will shift from union budget to monetary policy meeting scheduled on February 5. 10-year yields rose 15bps to 6.06% on Monday; most traded 5.77% 2030 yield rose 13bps to 6.08%
- » Union Budget: The economy seems on the mend and the nominal GDP growth of 14.4% assumed in the budget for 2021-22 looks impressive. However, some the fizz in the number comes from the extraordinarily low denominator of 2020-21 due to the 7.7% contraction in real GDP.
- » The deficit target of 6.8% for 2021-22 (way higher than analyst forecasts) and indeed the amendment of the FRBM act so that the deficit finally comes below 4.5 per cent only in 2025-26 is perhaps as bold as expansionary fiscal policy can get.
- » February month started on negative note for rupee as it fell 7 paise to 73.03 a dollar. However, the momentum remains on bullish side following continuation of foreign fund inflows in domestic market. The lower level buying from the central banks restricting the gains while consolidation dollar index around 91 keeping the rupee in tight range.
- » Technically, spot USDINR is having support at 72.70 and resistance at 73.50.
- » The dollar outperformed all its Group-of-10 currency peers, bolstered by continued weakness in the euro amid continued concern about how potential delays in the pace of coronavirus vaccinations could impact economic growth. The greenback touched the highest level since mid-November against the yen, while the Treasury yield curve steepened marginally as longer-term securities led underperformance.

## USDINR February Hourly Chart



## Technical Observations:

- » USDINR February futures stuck in the range of 73.05 to 73.40.
- » The pair is still marking bearish formation of lower top lower bottom on hourly chart while momentum oscillators rebound from oversold zone.
- » Momentum indicators on daily chart continued downward trend suggesting weakness in the pair.
- » The trend remains sideways to bearish until the range breakout happens.
- » Swing traders should utilise the range of 73.40 to 73 while medium term traders should wait for the range breakout.

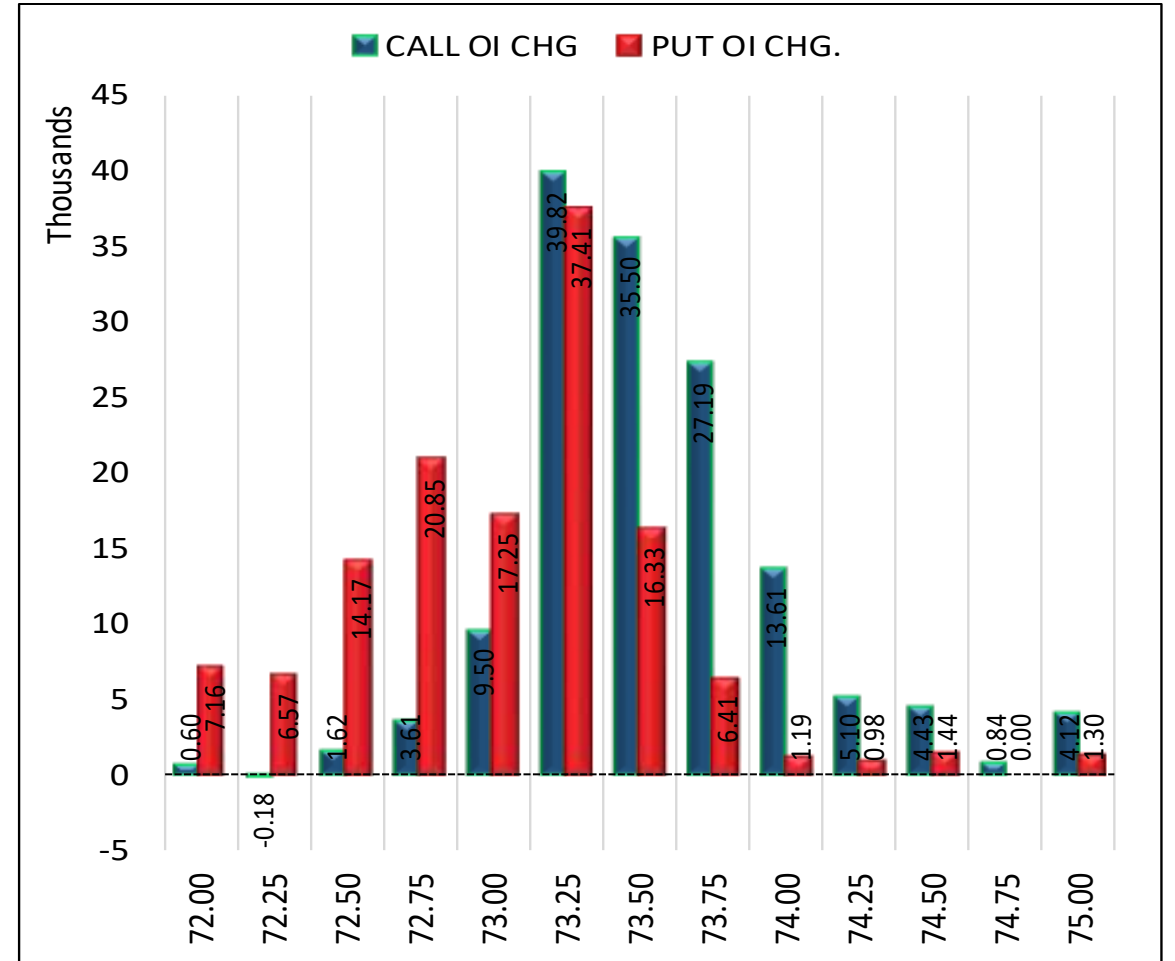
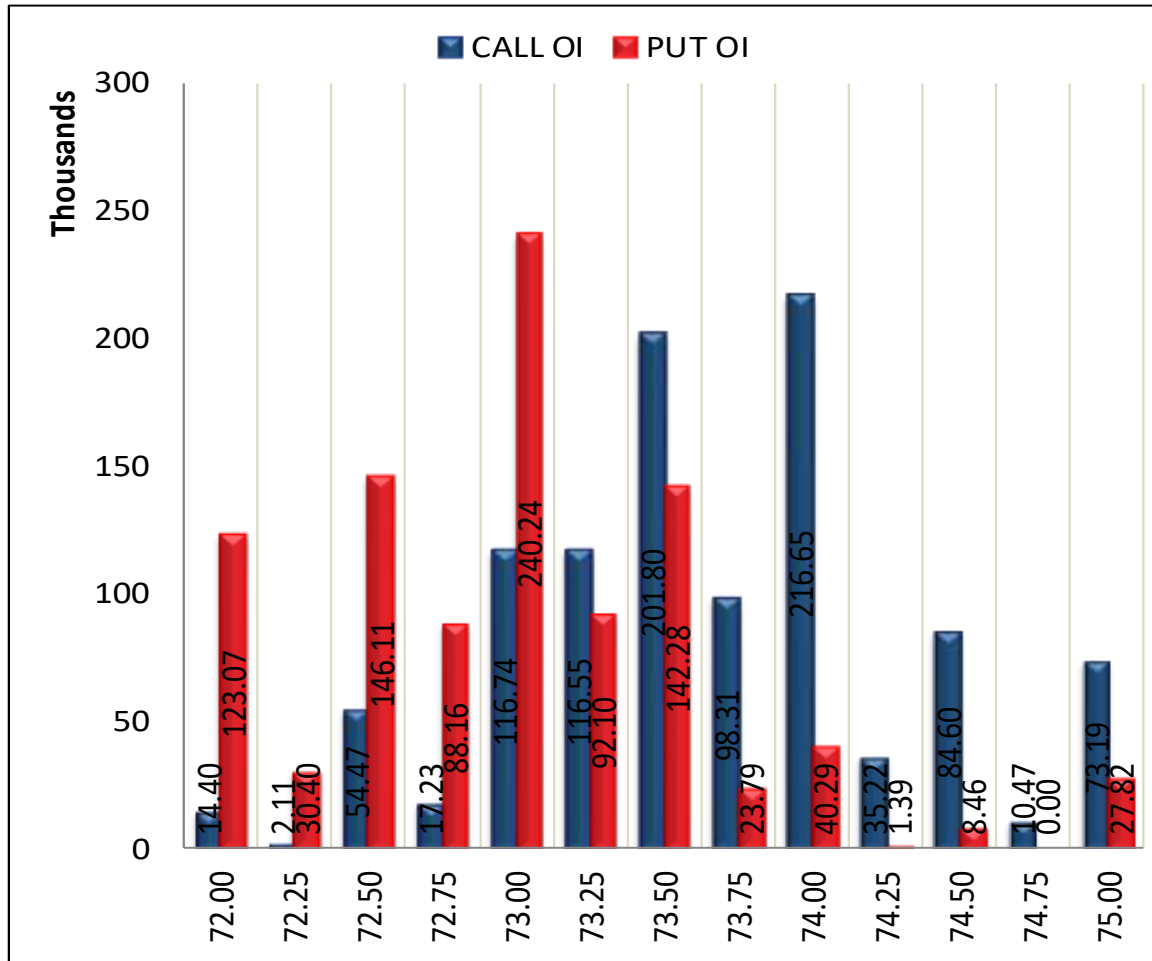
## Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future Feb21	73.1600	73.3650	73.0575	73.3225	0.21	3110829	-147460	2729835	657779
NSE EURINR Future Feb21	88.7500	88.9400	88.5050	88.5600	-0.24	123136	-13882	141030	-18580
NSE GBPINR Future Feb21	100.2000	100.6825	100.2000	100.4925	0.35	238617	60533	453908	3496
NSE JPYINR Future Feb21	69.8900	70.0900	69.8275	69.9075	0.05	30928	-6556	47577	-6896
NSE EURUSD Fut Feb21	1.2133	1.2133	1.2074	1.2082	-0.43	2534	213	2205	1077
NSE GBPUSD Fut Feb21	1.3714	1.3749	1.3680	1.3705	0.12	2384	121	4583	1271
NSE USDJPY Fut Feb21	104.66	105.20	104.66	104.88	0.18	94	25	56	-99

## 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	73.32	73.25	72.44	72.94	73.13	73.44	73.56	73.75	73.24	73.42
NSE EURINR Future Feb21	88.56	88.67	87.64	88.23	88.40	88.83	89.10	89.27	88.76	89.37
NSE GBPINR Future Feb21	100.49	100.46	99.24	99.98	100.23	100.72	100.94	101.20	100.29	100.13
NSE JPYINR Future Feb21	69.91	69.94	69.30	69.68	69.79	70.06	70.20	70.32	70.22	70.72
NSE EURUSD Fut Feb21	1.2082	1.2096	1.1956	1.2037	1.2060	1.2119	1.2155	1.2178	1.2121	1.2178
NSE GBPUSD Fut Feb21	1.3705	1.3711	1.3542	1.3642	1.3674	1.3743	1.3780	1.3812	1.36938	1.36446
NSE USDJPY Fut Feb21	104.88	104.91	103.58	104.37	104.63	105.17	105.45	105.71	104.27	103.77

## USDINR Feb. Month Option Distribution



# HDFC securities Retail Research: Currency Daily

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