

HDFC securities Retail Research Currency Daily

15 January 2021

Analyst:
Dilip Parmar
dilip.parmar@hdfcsec.com



Currency Movements

Currency	Last Price	Prev. Close	Chg.	% Chg.
USDINR	73.087	73.070	0.0170	0.02%
DXY Index	90.25	90.24	0.01	0.01%
EURUSD	1.2152	1.2156	-0.0004	-0.04%
GBPUSD	1.3686	1.3687	-0.0001	-0.01%
USDJPY	103.74	103.79	-0.05	-0.05%

Global Equity Markets

Currency	Last Price	Prev. Close	Chg.	% Chg.
Nifty 50	14,596	14,565	31	0.21%
BSE Sensex 30	49,584	49,492	92	0.19%
Hang Seng	28,479	28,497	-18	-0.06%
Nikkei 225	28,674	28,698	-25	-0.09%
Shanghai Compo.	3,582	3,566	16	0.44%
S&P 500	3,796	3,796	-14	-0.38%
Dow Jones	30,992	31,060	-69	-0.22%
NASDAQ Compo.	13,113	13,129	-16	-0.12%
FTSE 100	6,802	6,802	56	0.84%
CAC 40	5,681	5,663	18	0.33%
DAX	13,989	13,989	49	0.35%

Rupee could open flat in line with other Asian currencies

- » Indian rupee expected to open steady in line with other Asian currencies. On Thursday, Rupee caught another bid by logging its third green finish in last four days moving closer to a month high. The weaker dollar index, stronger foreign fund inflows, higher equities and recovery in local economy altogether braced rupee higher. Technically, the bias for the rupee remains bullish with immediate resistance at 72.75 and support at 73.50.
- » The dollar fell and lagged most of its peers, while the euro erased losses after sliding to the lowest level in a month.
- » Asian stocks looked set for a muted start. U.S. equity futures edged higher and Treasury contracts were steady as investors scrutinized President-elect Joe Biden's \$1.9 trillion Covid-19 relief plan.
- » President-elect Joe Biden will ask Congress for \$1.9 trillion to fund immediate relief for the pandemic-wracked U.S., in the face of a split Senate and a deteriorating economy. Meanwhile, a day after the House impeached President Donald Trump for a second time, there is still little clarity on when his trial would take place or what form it would take.
- » Federal Reserve Chair Jerome Powell said policy makers won't raise interest rates unless they see troubling signs of inflation also weighed on dollar.
- » U.K. Prime Minister Boris Johnson is facing a threat to his leadership from Conservative lawmakers who are demanding a clear plan out of an economically damaging third pandemic lockdown.
- » A second straight weekly decline left US Reserve Bank Credit at \$7.28 trillion, as interest bearing assets at the Fed slipped \$25 billion sequentially and \$69 billion from two weeks ago.

USDINR January Daily Chart



Technical Observations:

- » USDINR January futures formed bearish candle and closed below Doji candlestick pattern suggesting further weakness.
- » The pair has tough resistance at 20 DMA.
- » The pair is having support at 73 and 72.80, the 50% and 61.8% Fibonacci Extension adjoining recent swing high and low.
- » Momentum oscillator, stochastic given negative crossover and heading towards oversold zone.
- » The bias for USDINR January futures remains bearish with downside target of 73 and 72.80 while crossing of 73.60 will negate the view.

Currency Derivative Price Actions

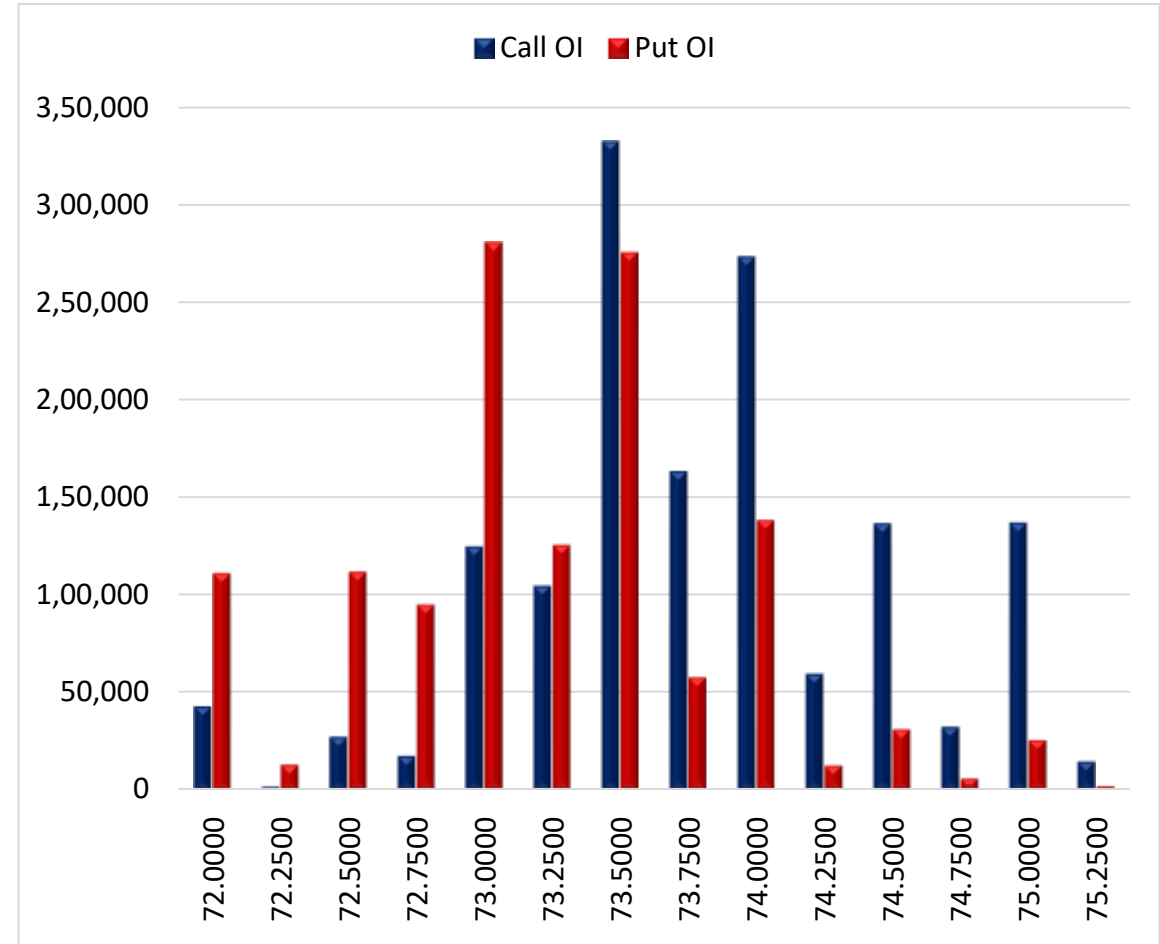
Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future Jan21	73.3025	73.3550	73.2225	73.3125	-0.10	2674457	9051	1499849	-175520
NSE EURINR Future Jan21	89.3800	89.6000	89.2125	89.2600	0.12	215926	-13350	147139	-55037
NSE GBPINR Future Jan21	99.8000	100.3700	99.8000	100.1500	0.46	183060	37874	365123	-4515
NSE JPYINR Future Jan21	70.5775	70.8000	70.5100	70.5350	0.15	32926	-4879	47160	2479
NSE EURUSD Fut Jan21	1.2210	1.2223	1.2174	1.2177	0.21	5992	-551	2460	314
NSE GBPUSD Fut Jan21	1.3670	1.3693	1.3654	1.3661	0.54	5659	803	4643	-1312
NSE USDJPY Fut Jan21	103.65	103.95	103.64	103.95	-0.29	185	-3	47	-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 Jan21	73.31	73.30	72.96	73.16	73.24	73.37	73.43	73.50	73.44	73.60
NSE EURINR Future Jan21	89.26	89.36	88.44	88.97	89.12	89.50	89.75	89.89	89.56	90.00
NSE GBPINR Future Jan21	100.15	100.11	98.66	99.54	99.84	100.41	100.68	100.98	99.72	99.71
NSE JPYINR Future Jan21	70.54	70.62	69.93	70.33	70.43	70.72	70.91	71.01	70.65	71.11
NSE EURUSD Fut Jan21	1.2177	1.2191	1.2076	1.2142	1.2160	1.2209	1.2240	1.2258	1.2199	1.2234
NSE GBPUSD Fut Jan21	1.3661	1.3669	1.3576	1.3630	1.3646	1.3685	1.3708	1.3724	1.35822	1.35513
NSE USDJPY Fut Jan21	103.95	103.85	103.02	103.54	103.74	104.05	104.16	104.36	103.95	103.48

USDINR Jan. Month Option Distribution

CALLS				STRIKE				
OI	VOLUME	IV	LTP	PRICE	LTP	IV	VOLUME	OI
41,422	3,505	7.9	1.1600	72.0000	0.0075	4.24	16,993	1,09,914
108	33	3.15	0.8225	72.2500	0.0150	3.92	2,657	11,614
25,827	10,044	5.88	0.6825	72.5000	0.0300	3.57	48,935	1,10,578
15,973	10,792	4.86	0.4550	72.7500	0.0575	3.13	39,206	93,935
1,23,603	71,669	4.82	0.3000	73.0000	0.1425	3.17	1,75,916	2,79,989
1,03,468	93,272	4.65	0.1750	73.2500	0.2775	3.11	71,401	1,24,517
3,31,681	1,71,072	4.73	0.1000	73.5000	0.4500	2.51	40,772	2,74,723
1,62,307	76,383	4.94	0.0575	73.7500	0.6600	2.24	10,821	56,362
2,72,404	94,874	5.46	0.0400	74.0000	0.8800	1.98	20,376	1,37,318
58,270	28,559	5.77	0.0250	74.2500	1.1200	2.54	3,319	11,180
1,35,522	27,229	6.2	0.0175	74.5000	1.3100	6.61	864	29,731
30,941	7,548	6.62	0.0125	74.7500	1.6575	4.2	178	4,428
1,35,781	17,655	7.14	0.0100	75.0000	1.8550	7.67	141	24,217
13,251	566	8.19	0.0125	75.2500	1.6900	4.82	-	548
25,539	4,025	8.26	0.0075	75.5000	2.3900	5.14	130	11,933
1,882	7	8.48	0.0050	75.7500	1.9775	0	-	11
36,133	2,509	9.66	0.0075	76.0000	2.8750	10.99	238	8,419
1550406				Total				1328731



HDFC securities Retail Research: Currency Daily

Disclosure:

I **Dilip Parmar, MBA**, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. HSL has no material adverse disciplinary history as on the date of publication of this report. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Research Analyst or his/her relative or HDFC Securities Ltd. **does not have** any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate **does not have** any material conflict of interest.

Any holding in stock – No

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is meant for sole use by the recipient and not for circulation. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. This document is for information purposes only. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete and this document is not, and should not be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk.

It should not be considered to be taken as an offer to sell or a solicitation to buy any security. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

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

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

