

HDFC securities Retail Research Currency Daily

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Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	73.0425	72.9200	0.1225	0.17%
DXY Index*	90.6520	90.7030	-0.0510	-0.06%
EURUSD*	1.2105	1.2105	0.0000	0.00%
GBPUSD*	1.3710	1.3667	0.0043	0.31%
USDJPY*	104.47	104.30	0.17	0.16%
USDINR 1M NDF*	73.25	73.31	-0.0600	-0.08%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	13817.6	13967.5	-150.0	-1.07%
Sensex	46874.4	47409.9	-535.6	-1.13%
Hang-Seng	28708.9	28550.8	158.1	0.55%
Nikkei	28169.3	28197.4	-28.1	-0.10%
Shanghai	3507.3	3505.2	2.1	0.06%
S&P Index	3787.4	3750.8	36.6	0.98%
Dow Jones	30603.4	30303.2	300.2	0.99%
Nasdaq	13337.2	13270.6	66.6	0.50%
FTSE	6526.2	6567.4	-41.2	-0.63%
CAC	5510.5	5459.6	50.9	0.93%
DAX	13665.9	13620.5	45.5	0.33%

* Prev. Close 5pm IST

Dollar Drops as Stock Rebounds

- » Indian rupee expected to open with minor gains as risk sentiments improve with rebound in stocks. The one month forward USDINR last quoted at 73.25 6 paise lower from Thursday's 5pm (IST) price, suggesting lower opening at domestic bourses.
- » Asian stocks looked set to follow their U.S. peers higher today as moves to limit retail trader speculation led to gains in stocks that hedge funds had been forced to abandon. Elsewhere, Oil declined the most in nearly a week with the spread of new Covid-19 variants and tighter lockdown measures weighing on nascent hopes of a demand recovery.
- » On Thursday, Indian rupee declines by the most in more than a week amid outflows from the nation's stocks and bonds. Spot USDINR ended at 73.04 with gains of 12 paise. Rupee expected to trade sideways ahead of Union Budget on February 1 and RBI's rate decision on February 5. Technically, spot USDINR is having resistance around 73.50 and support at 72.70.
- » Foreign Direct Investment (FDI) in India for the month of November 2020 grew by a whopping 81 per cent to \$10.15 billion against \$5.6 billion in November 2019. FDI equity has also jumped to \$8.5 billion as against \$2.8 billion in November 2019, registering a growth of 70 per cent as per the data released by Commerce Ministry.
- » The dollar dropped from a five-week high after solid earnings reports and economic data helped lift U.S. stocks from their worst loss since October. The U.S. economy grew 4%, versus consensus for a 4.2% pace and way below the post-lockdown surge of 33.4% in the prior period.
- » In the battle against Covid-19, U.S. President Joe Biden is personally reaching out to Republican lawmakers to clear the \$1.9 trillion stimulus plan.

USDINR February Daily Chart



Technical Observations:

- » USDINR February futures formed higher high on hourly chart, the first sign of reversal. Now, it has to form higher low to confirm the reversal.
- » On daily chart, it has formed doji candlestick pattern suggesting indecisiveness at lower level.
- » Momentum oscillators and indicators still remain weak on daily and weekly chart indicating continuation of down trend.
- » We expect USDINR Feb. fut. expected to consolidate in the range of 73.15 to 73.40 in today's trade with negative bias.

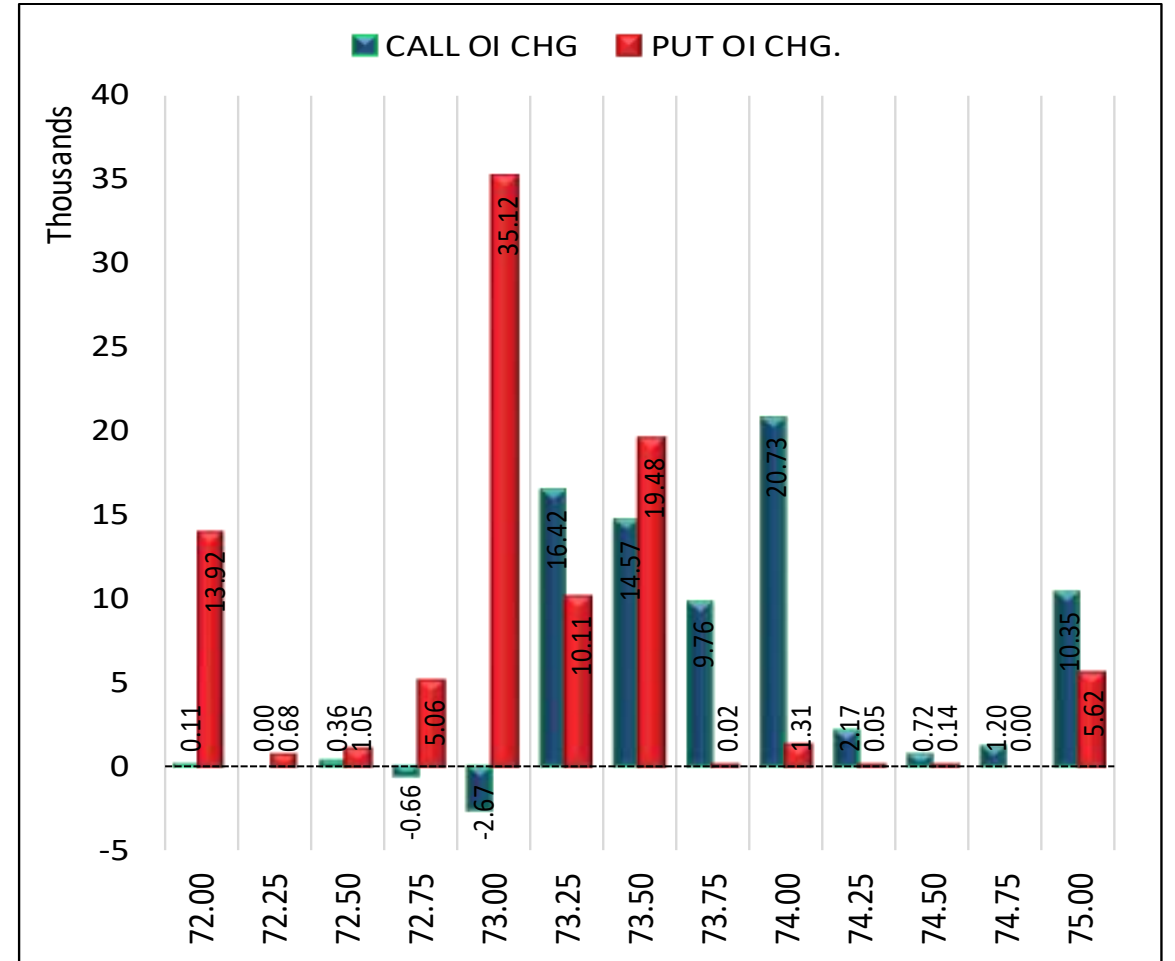
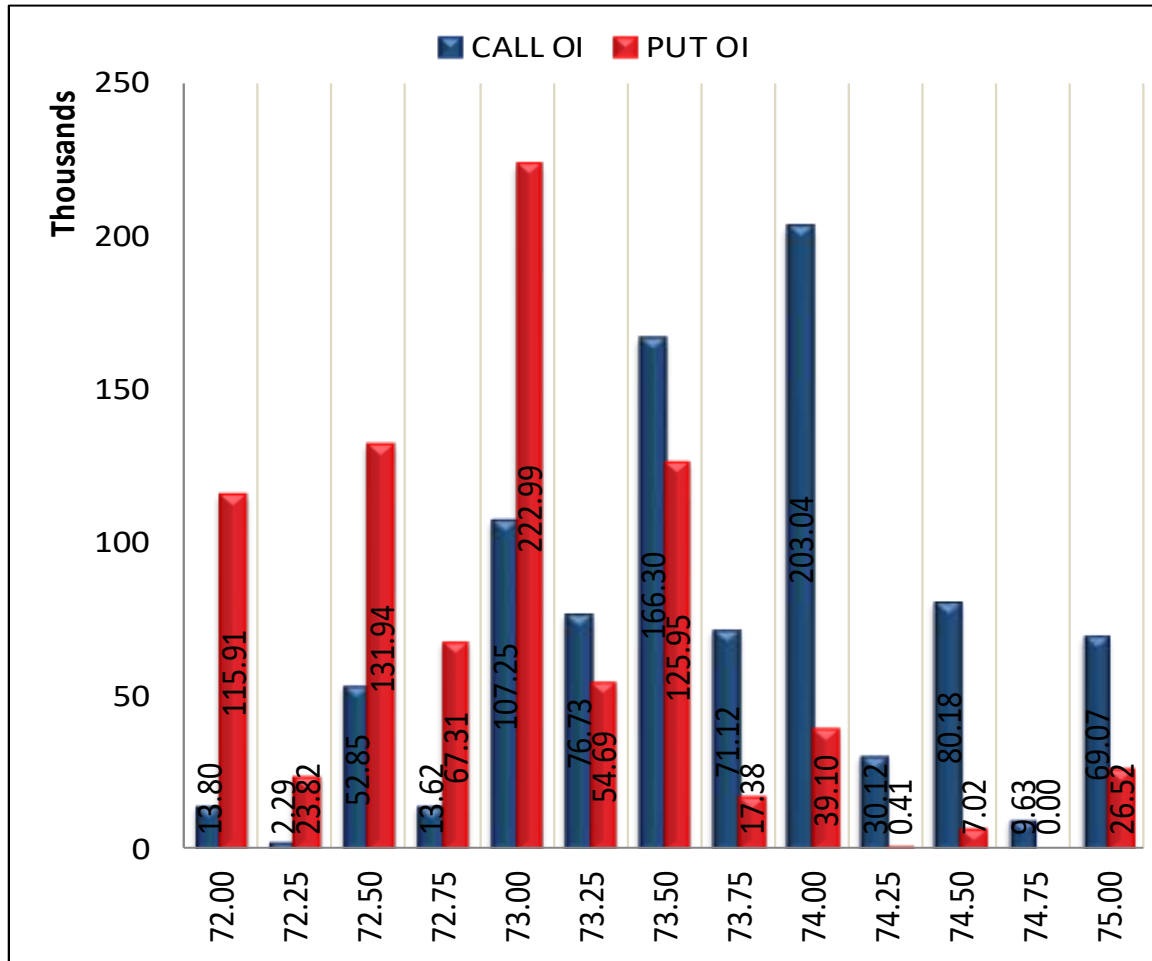
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future Feb21	73.2875	73.4175	73.1525	73.2775	0.08	2928707	-230960	1778060	-2129654
NSE EURINR Future Feb21	88.7000	88.8200	88.6125	88.7200	-0.05	133968	977	123489	-63677
NSE GBPINR Future Feb21	100.2150	100.3125	99.9400	100.1200	-0.39	180544	-56780	423136	45857
NSE JPYINR Future Feb21	70.3375	70.3925	70.2600	70.2875	-0.35	25176	2892	36592	-5382
NSE EURUSD Fut Feb21	1.2090	1.2119	1.2088	1.2108	-0.14	2170	-40	1604	-3761
NSE GBPUSD Fut Feb21	1.3650	1.3685	1.3632	1.3663	-0.47	1964	-691	3528	-1922
NSE USDJPY Fut Feb21	104.38	104.41	104.20	104.22	0.44	130	12	56	33

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	73.28	73.28	72.62	73.02	73.15	73.41	73.55	73.68	73.24	73.44
NSE EURINR Future Feb21	88.72	88.72	88.20	88.51	88.62	88.82	88.93	89.03	88.92	89.50
NSE GBPINR Future Feb21	100.12	100.12	99.20	99.75	99.94	100.31	100.50	100.68	100.27	100.11
NSE JPYINR Future Feb21	70.29	70.31	70.00	70.18	70.23	70.37	70.45	70.50	70.55	70.85
NSE EURUSD Fut Feb21	1.2108	1.2105	1.2026	1.2074	1.2091	1.2122	1.2136	1.2153	1.2140	1.2195
NSE GBPUSD Fut Feb21	1.3663	1.3660	1.3526	1.3607	1.3635	1.3688	1.3713	1.3741	1.36978	1.364155
NSE USDJPY Fut Feb21	104.22	104.28	103.78	104.07	104.14	104.35	104.49	104.56	103.76	103.61

USDINR Feb. Month Option Distribution



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