

HDFC securities Retail Research Currency Daily

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Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	72.9113	73.0875	-0.1762	-0.24%
DXY Index*	90.5000	90.0530	0.4470	0.50%
EURUSD*	1.2127	1.2189	-0.0062	-0.51%
GBPUSD*	1.4103	1.4189	-0.0086	-0.61%
USDJPY*	110.18	109.80	0.38	0.35%
USDINR 1M NDF*	73.30	73.17	0.1300	0.18%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	15690.4	15576.2	114.2	0.73%
Sensex	52232.4	51849.5	382.9	0.74%
Hang-Seng	28771.8	28966.0	-194.2	-0.67%
Nikkei	28846.1	29058.1	-212.0	-0.73%
Shanghai	3566.5	3584.2	-17.7	-0.49%
S&P Index	4192.9	4208.1	-15.3	-0.36%
Dow Jones	34577.0	34600.4	-23.3	-0.07%
Nasdaq	13614.5	13756.3	-141.8	-1.03%
FTSE	7064.4	7108.0	-43.6	-0.61%
CAC	6507.9	6521.5	-13.6	-0.21%
DAX	15632.7	15602.7	30.0	0.19%

* Prev. Close 5pm IST

All eyes on RBI Monetary Policy and US Economic Data

- » Indian rupee expected to open lower following overnight gains in dollar against major currencies after better than expected US economic data. While Asian stocks look set for a weaker open after U.S. equities sagged amid robust economic data that stoked concerns about a pullback in central bank stimulus.
- » The forwards indicating USDINR likely to open 10 to 12 paise higher from previous closed. USDINR June future likely to open around 73.22.
- » Focus of the day will remain on India's monetary policy, the committee likely maintain interest rates at a record low for a sixth straight meeting, while retaining their dovish bias to support pandemic hurt economy.
- » On Thursday, spot USDINR closed at 72.91 ended three days winning streaks by losing 18 paise or 0.24%. Technically, the pair is expected to consolidate in the range of 72.70 to 73.30.
- » USDINR 1-year forward premiums crashed to the lowest in more than four months amid speculation state-run banks have been selling forward dollars. 1-year premium down 32bps to 4.46%; fell to 4.4581%, the lowest since seen January; down over 80bps in three sessions to Thursday.
- » Stronger data, including ADP and ISM services, sent real yields and the dollar higher. The risk of the payroll Friday is skewed favorably to the dollar. Meanwhile, China has already been working to arrest the yuan rally, which should provide some support to the broad dollar
- » Overnight, S&P 500 and Nasdaq 100 fell overnight but came off lows on signs President Joe Biden may be willing to compromise on corporate taxes. Strong U.S. jobs data and record service-sector growth underscored the recovery from the pandemic. The benchmark 10-year Treasury yield increased to 1.63%, while the rally in crude oil stalled.

USDINR June Daily Chart



Technical Observations:

- » USDINR June futures closed below short term moving average but manages to form bullish candle with small body.
- » The pair has been facing stiff resistance at 73.68, the 50 days simple moving average.
- » Momentum oscillators and indicators turned bullish on daily chart indicating short term upside in the pair.
- » USDINR June futures expected to open slightly higher and could trade in the range of 73.50 to 73 range. The bias for today remains more on bullish side following stronger dollar index and weaker Asian risk assets.

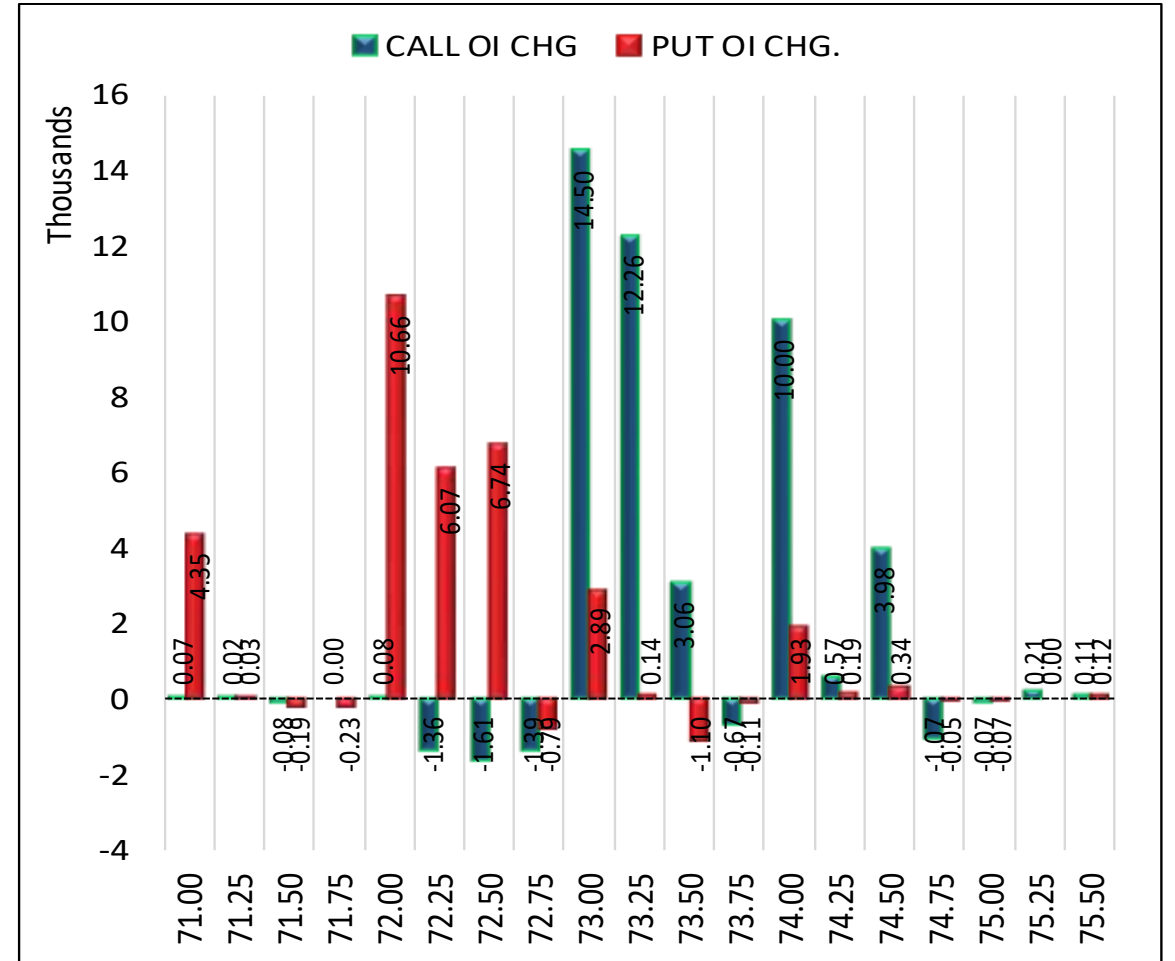
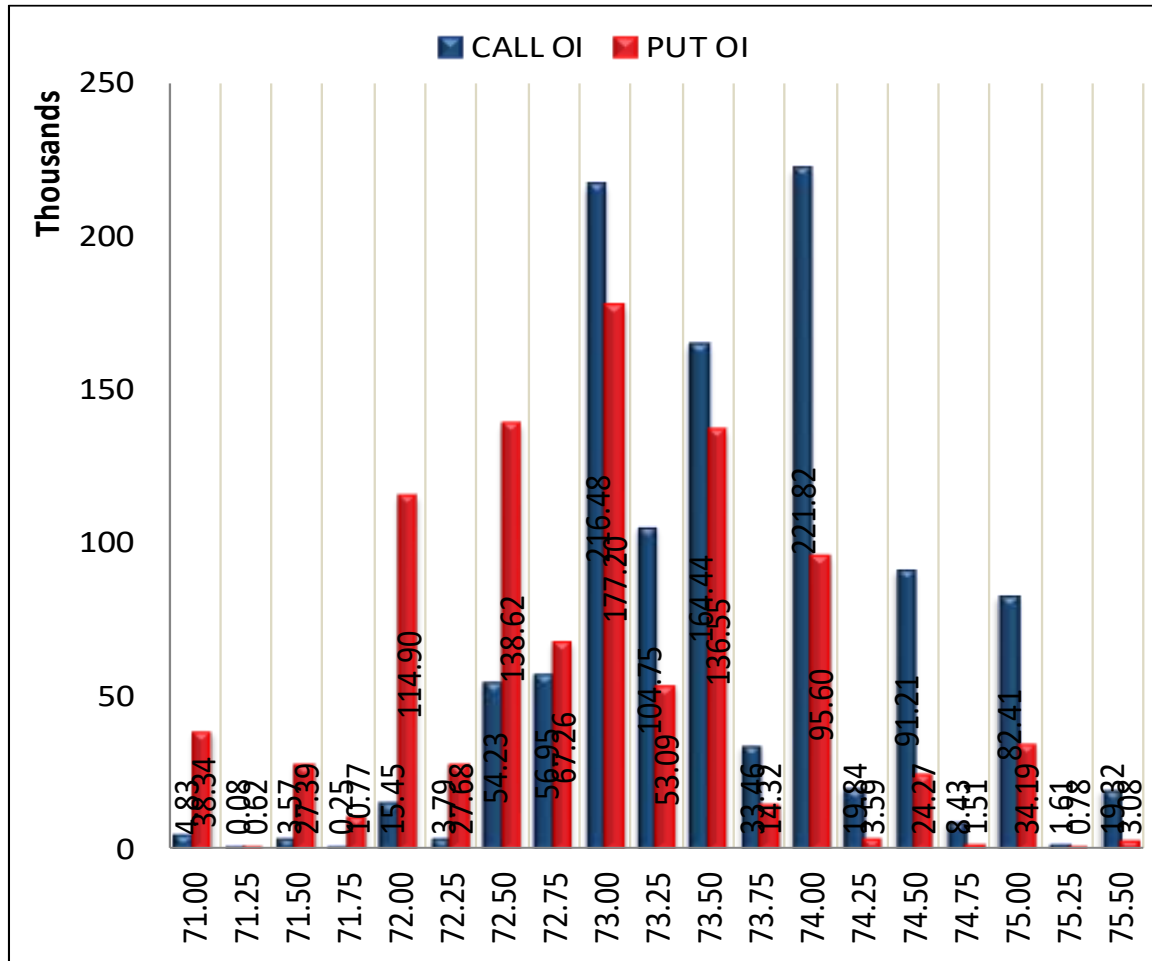
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future Jun21	73.0000	73.3975	72.8000	73.1175	-0.37	2567079	26550	2087863	-401938
NSE EURINR Future Jun21	89.4050	89.5850	89.0800	89.1450	-0.20	105997	-7492	171218	-1009
NSE GBPINR Future Jun21	103.7450	103.9150	103.5850	103.6700	0.07	151547	9529	250720	-18653
NSE JPYINR Future Jun21	66.8500	66.9200	66.5750	66.6200	-0.30	31626	1991	35633	-4271
NSE EURUSD Fut Jun21	1.2204	1.2207	1.2179	1.2187	0.13	5348	1532	2400	1431
NSE GBPUSD Fut Jun21	1.4161	1.4192	1.4142	1.4175	0.42	3447	590	1939	-522
NSE USDJPY Fut Jun21	109.59	109.69	109.59	109.79	0.01	134	8	20	-74

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 Jun21	73.12	73.11	71.61	72.51	72.81	73.41	73.70	74.01	73.08	73.56
NSE EURINR Future Jun21	89.15	89.27	88.07	88.77	88.96	89.46	89.78	89.97	89.09	89.51
NSE GBPINR Future Jun21	103.67	103.72	102.93	103.39	103.53	103.86	104.05	104.19	103.49	103.77
NSE JPYINR Future Jun21	66.62	66.71	65.89	66.36	66.49	66.84	67.05	67.18	66.59	67.39
NSE EURUSD Fut Jun21	1.2187	1.2191	1.2123	1.2163	1.2175	1.2203	1.2219	1.2231	1.2189	1.2167
NSE GBPUSD Fut Jun21	1.4175	1.4170	1.4042	1.4120	1.4147	1.4197	1.4220	1.4247	1.41604	1.41084
NSE USDJPY Fut Jun21	109.79	109.69	109.39	109.59	109.69	109.79	109.79	109.89	109.72	109.19

USDINR June Month Option Distribution



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