

HDFC securities Retail Research Currency Daily

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Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	73.3262	73.3150	0.0112	0.02%
DXY Index*	91.3630	90.5340	0.8290	0.92%
EURUSD*	1.2001	1.2119	-0.0118	-0.97%
GBPUSD*	1.3996	1.4115	-0.0119	-0.84%
USDJPY*	110.64	109.96	0.68	0.62%
USDINR 1M NDF*	73.97	73.59	0.3800	0.52%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	15767.6	15869.3	-101.7	-0.64%
Sensex	52502.0	52773.1	-271.1	-0.51%
Hang-Seng	28338.4	28436.8	-98.5	-0.35%
Nikkei	28963.6	29291.0	-327.4	-1.12%
Shanghai	3515.6	3518.3	-2.7	-0.08%
S&P Index	4223.7	4246.6	-22.9	-0.54%
Dow Jones	34033.7	34299.3	-265.7	-0.77%
Nasdaq	14039.7	14072.9	-33.2	-0.24%
FTSE	7185.0	7172.5	12.5	0.17%
CAC	6652.7	6639.5	13.1	0.20%
DAX	15710.6	15729.5	-19.0	-0.12%

* Prev. Close 5pm IST

Dollar climbs on Hawkish Fed

- » Rupee expected to open with dip cuts following other Asian currencies. Most of emerging-market currencies tracked by Bloomberg fell after the Federal Reserve moved up its projected time frame for interest rate increases, which boosted the dollar. A dollar index had its biggest jump in a year.
- » The forward markets indicating USDINR to open 38 paise higher from yesterday's close. USDINR June futures at domestic bourses could open around 73.80 odd levels. Technically, the pair is turned bullish amid higher top higher bottom and placed well above short term moving averages. It has resistance around 74.05 and support at 73.
- » On Wednesday, rupee fell for the seventh day in row, longest losing streak since August 2018 following stronger dollar, higher crude oil and risk-off sentiments. Spot USDINR closed at 73.33 with gain of a paise.
- » Federal Reserve held the target range for its benchmark policy rate unchanged at zero to 0.25% where it's been since March 2020. The dot plot show two rate hikes by the end of 2023. Officials signaled that the pace of the U.S. economic recovery from the pandemic is bringing forward expectations for how quickly they will reduce policy support. Estimates for inflation for the next three years were upgraded.
- » USD/JPY touched its highest level since April 1 on Thursday driven by safe haven demand. The dollar hit the highest level in more than a month and Treasury yields jumped after Federal Reserve policy.
- » Historically, we have seen when the Fed communicates tapering and tightening in one message, and the economy is forecasted to be strong, real yields jump and those can transmit stronger dollar. Things that happens back in 2014, when the Fed's dot plot last surprised to the upside by 50 to 75 basis points

USDINR June Daily Chart



Technical Observations:

- USDINR June futures formed doji candlestick pattern suggested indecisiveness. The much awaited event of FOMC done and dollar appreciates against major EM currencies, USDINR is expected to open higher and continue towards 74 odd levels.
- The pair started forming higher highs and lows along with stronger oscillators indicating continuation of rally.
- USDINR June futures has support at 73.24 and resistance at 73.80 and 74.05, the 50% Fibonacci retracement level adjoining recent high 75.50 and low of 72.60.

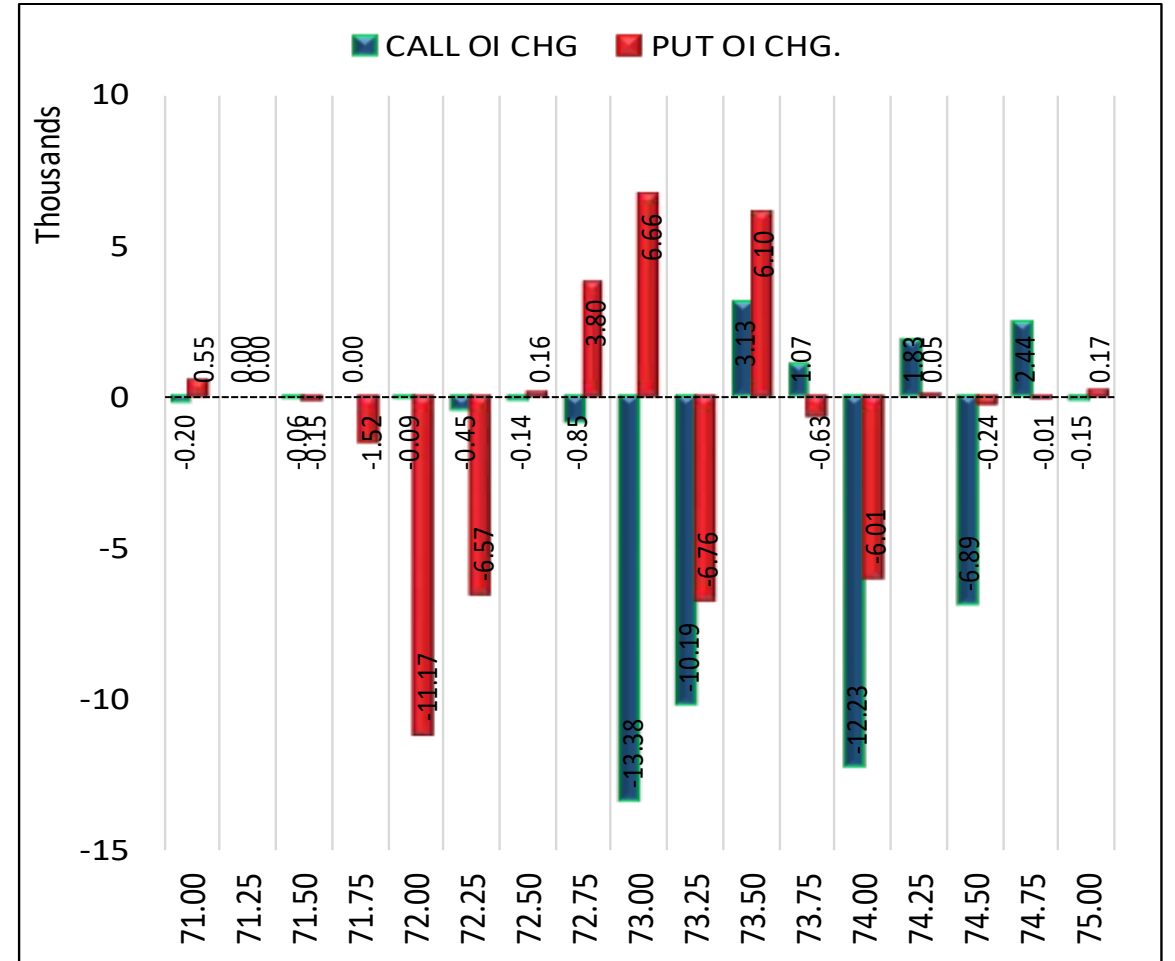
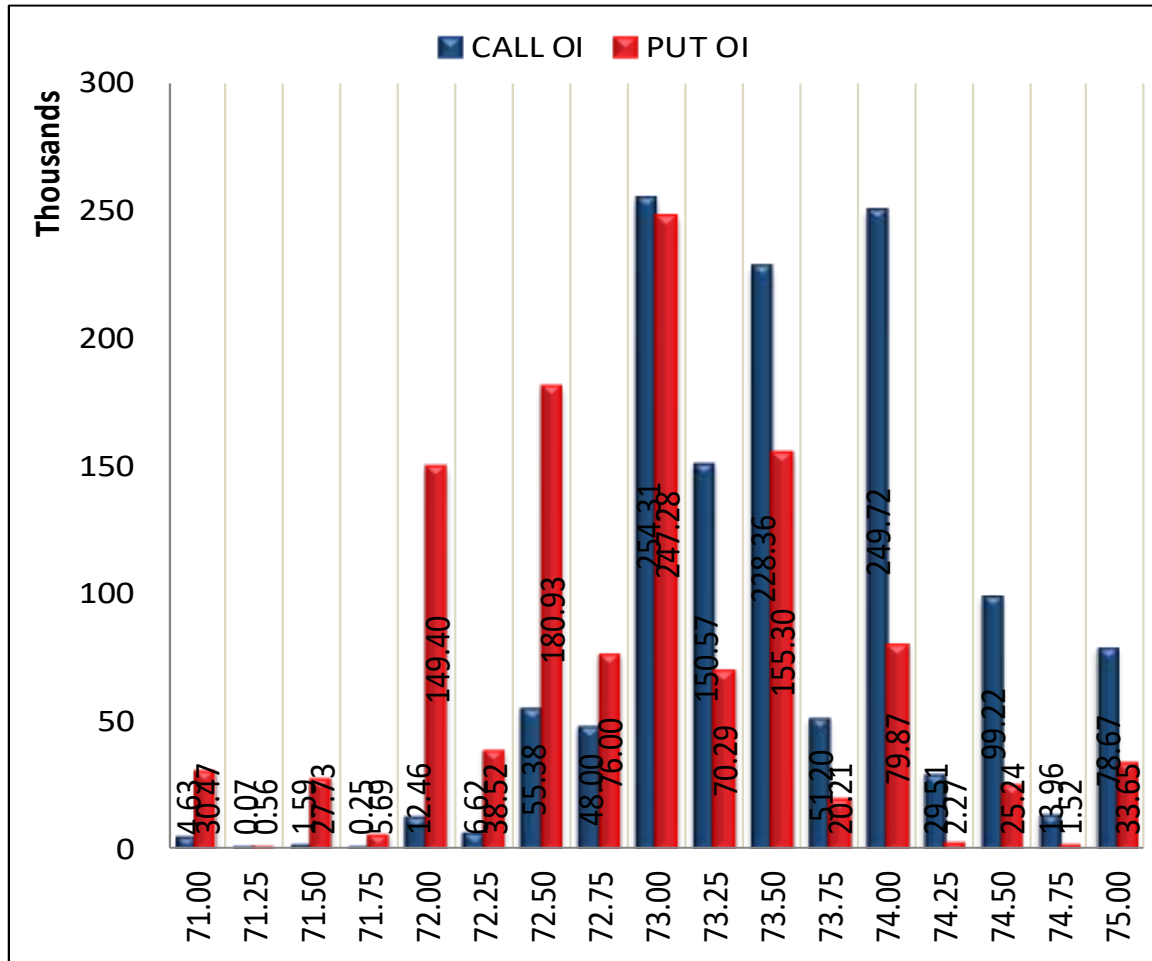
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future Jun21	73.4450	73.4825	73.2800	73.4200	-0.02	2287512	-20528	1266149	-81938
NSE EURINR Future Jun21	89.0000	89.1525	88.9650	88.9775	-0.01	97072	-2156	126584	13877
NSE GBPINR Future Jun21	103.3025	103.7000	103.3025	103.6000	0.32	146542	30364	286124	6571
NSE JPYINR Future Jun21	66.6675	66.8450	66.6650	66.7800	0.09	28180	-699	24904	-15750
NSE EURUSD Fut Jun21	1.2121	1.2130	1.2115	1.2118	0.02	3967	963	1338	635
NSE GBPUSD Fut Jun21	1.4081	1.4117	1.4080	1.4114	0.32	4722	-927	2868	412
NSE USDJPY Fut Jun21	110.00	110.10	109.89	109.94	-0.13	219	0	21	-187

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	73.42	73.39	72.88	73.19	73.31	73.51	73.60	73.71	73.32	73.20
NSE EURINR Future Jun21	88.98	89.03	88.59	88.84	88.91	89.10	89.22	89.29	88.98	89.16
NSE GBPINR Future Jun21	103.60	103.53	102.51	103.14	103.37	103.77	103.93	104.16	103.42	103.52
NSE JPYINR Future Jun21	66.78	66.76	66.31	66.58	66.68	66.86	66.94	67.04	66.83	66.88
NSE EURUSD Fut Jun21	1.2118	1.2121	1.2085	1.2106	1.2112	1.2127	1.2136	1.2142	1.2135	1.2176
NSE GBPUSD Fut Jun21	1.4114	1.4104	1.4006	1.4067	1.4090	1.4127	1.4141	1.4164	1.41082	1.41428
NSE USDJPY Fut Jun21	109.94	109.98	109.47	109.77	109.85	110.06	110.19	110.27	109.75	109.47

USDINR June Month Option Distribution



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