

# HDFC securities Retail Research Currency Daily

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**RETAIL RESEARCH**



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## Currency Movements

| Particular     | Current Price | Prev. Close | Chg.    | % Chg. |
|----------------|---------------|-------------|---------|--------|
| USDINR         | 74.0800       | 73.3262     | 0.7538  | 1.03%  |
| DXY Index*     | 91.8650       | 91.7710     | 0.0940  | 0.10%  |
| EURUSD*        | 1.1916        | 1.1936      | -0.0020 | -0.17% |
| GBPUSD*        | 1.3936        | 1.3958      | -0.0022 | -0.16% |
| USDJPY*        | 110.19        | 110.70      | -0.51   | -0.46% |
| USDINR 1M NDF* | 74.42         | 74.43       | -0.0100 | -0.01% |

## Global Equity Markets

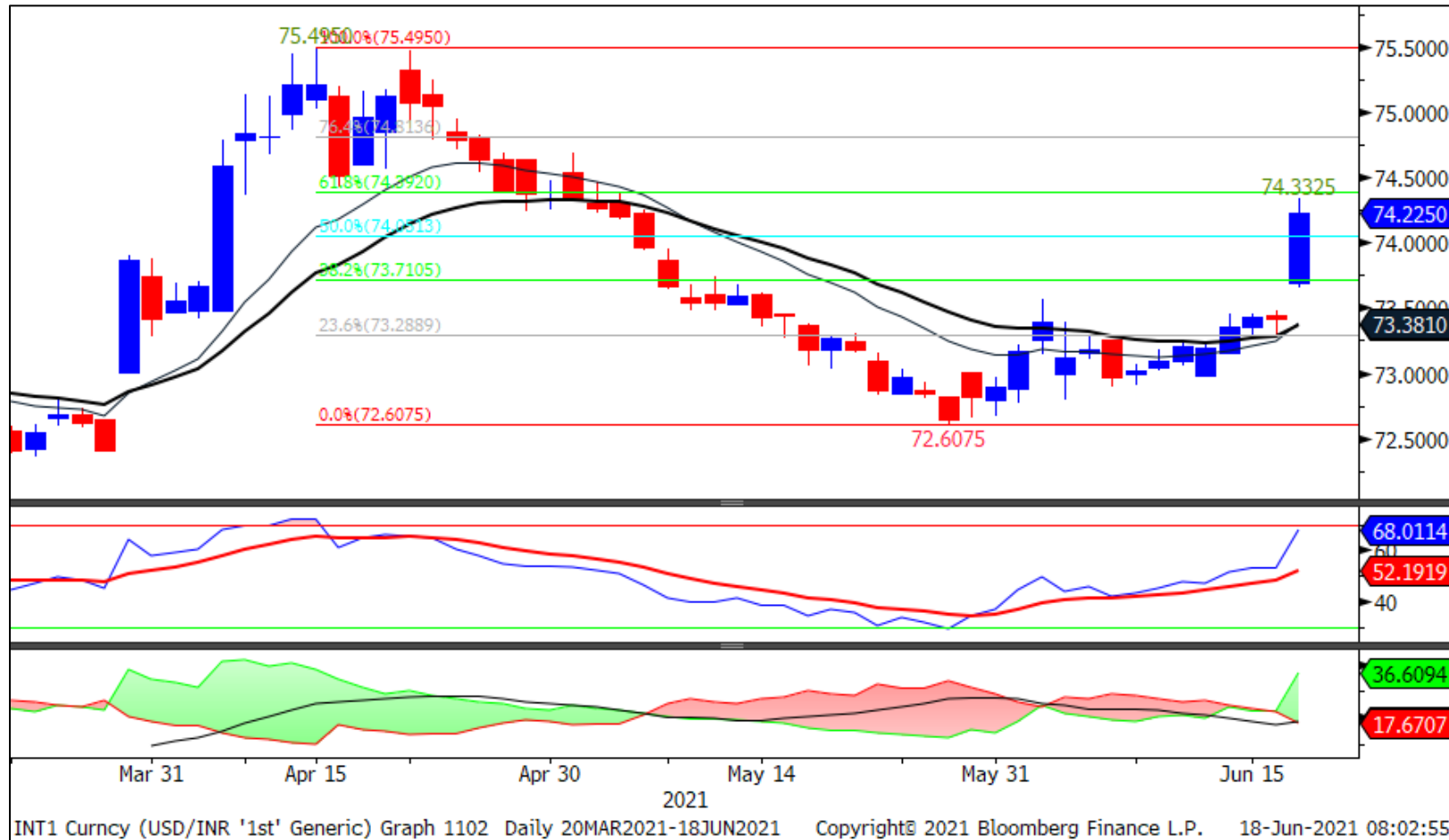
| Particular | Current Price | Prev. Close | Chg.   | % Chg. |
|------------|---------------|-------------|--------|--------|
| Nifty      | 15691.4       | 15767.6     | -76.1  | -0.48% |
| Sensex     | 52323.3       | 52502.0     | -178.7 | -0.34% |
| Hang-Seng  | 28738.3       | 28558.6     | 179.7  | 0.63%  |
| Nikkei     | 29107.1       | 29018.3     | 88.8   | 0.31%  |
| Shanghai   | 3523.9        | 3525.6      | -1.7   | -0.05% |
| S&P Index  | 4221.9        | 4223.7      | -1.8   | -0.04% |
| Dow Jones  | 33823.5       | 34033.7     | -210.2 | -0.62% |
| Nasdaq     | 14161.4       | 14039.7     | 121.7  | 0.87%  |
| FTSE       | 7153.4        | 7185.0      | -31.5  | -0.44% |
| CAC        | 6666.3        | 6652.7      | 13.6   | 0.20%  |
| DAX        | 15727.7       | 15710.6     | 17.1   | 0.11%  |

\* Prev. Close 5pm IST

## Rupee likely to open steady after plunging more than a percent on Thursday

- » Rupee expected to open flat as dollar tread steady after sharp rise on Thursday. The forward market indicates USDINR could open a paise lower from yesterday's close. The pair expected to show profit booking after witnessing sharp surge in last couple of weeks. Technically, spot USDINR is having resistance at 74.20, the 61.8% Fibonacci retracement and support at 73.63, the 50 days simple moving average.
- » Indian rupee drops by the most in over two months, tracking losses in Asian currencies, and fell for eight day in row after the Federal Reserve's hawkish comments spurred risk-off sentiment. Spot USDINR up 1%, the biggest rise since April 7, to close at 74.08. It heads for the third weekly of gains following strength in dollar index, higher crude oil and capital outflows. RBI's tactical intervention in forex markets will be biased towards dollar purchases, keeping rupee underperformer, even in case of healthy EM flows so far this year.
- » Benchmark 10-year bonds gained after the RBI buys most bonds in the tenor at its purchase plan. The benchmark 10-year yields down 3bps to 6.02%, 5.63% 2026 yield down 1bp to 5.66%, 6.64% 2035 bond yield up 2bps to 6.68%.
- » Asian stocks look set for gains after U.S. technology shares rallied and Treasuries advanced, with investors unwinding some of this year's dominant reflation trades.
- » A gauge of the dollar index headed for its biggest weekly gain since September after the Federal Reserve sped up its expected pace of policy tightening. Dollar Index climbed 1.6% on the week as Treasury yields advanced seven basis points. It has "broken through the 200-DMA, its largest two-day move since March 2020 and could potentially challenge its March highs.
- » US Treasuries saw major bull flattening action, with the long bond yield sinking 11 basis points to 2.1% (its lowest since early February) and the 10-year note rallied to 1.51%, while the 2-year note rose to 0.21%, its highest in more than a year.

## USDINR June Daily Chart



## Technical Observations:

- »» USDINR June futures retraced more than 50% of previous down swing suggesting trend reversal.
- »» The pair started forming higher highs and lows on daily chart.
- »» Strong bullish candle after doji candlestick pattern adding strength in the pair.
- »» Momentum oscillators and indicators heading north suggesting strong momentum.
- »» USDINR June futures has resistance at 74.39 and 74.81 while find support in the are of 74 to 73.70 range.



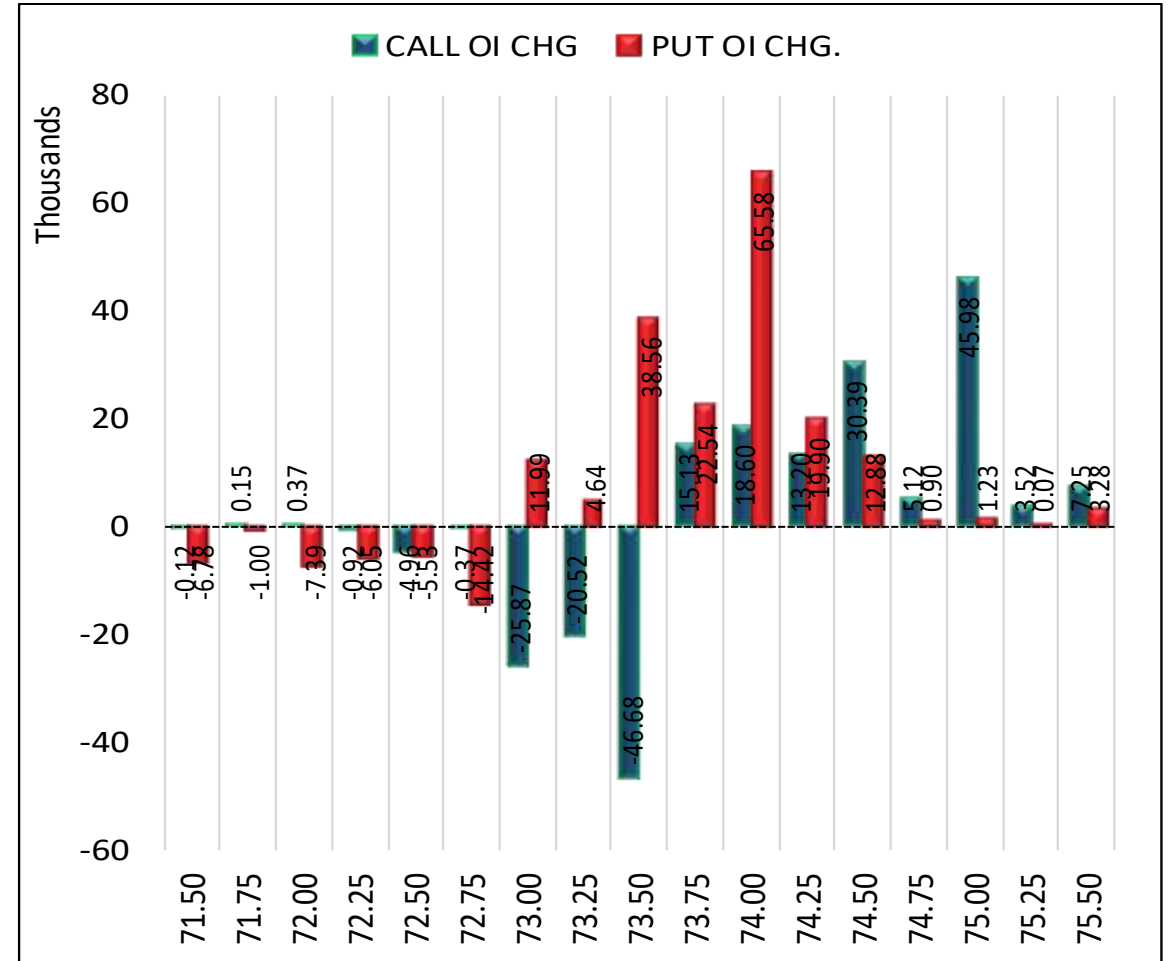
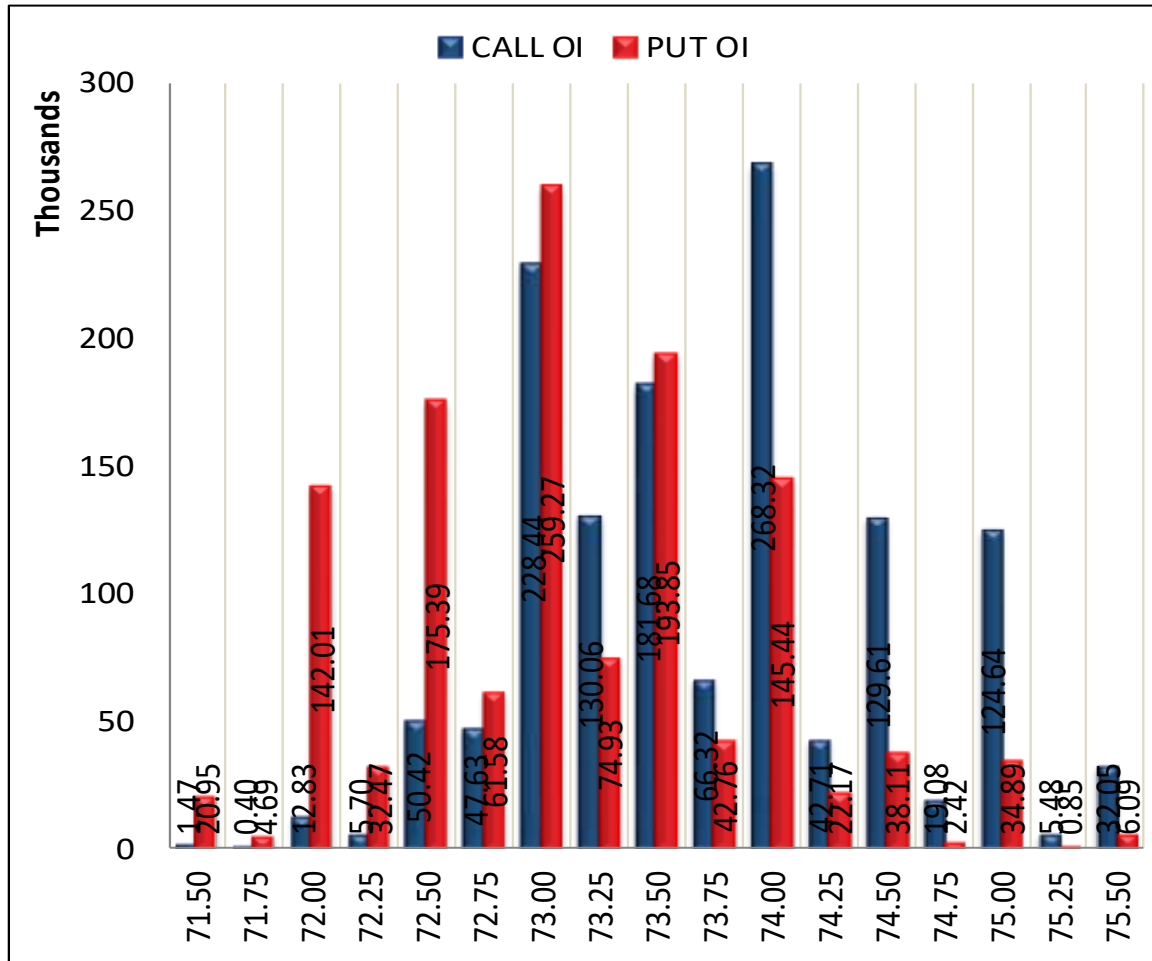
## Currency Derivative Price Actions

| Currency Pairs          | Open     | High     | Low      | Close    | Chg.  | Open Interest | Chg. In OI | Volume  | Chg.in Volume |
|-------------------------|----------|----------|----------|----------|-------|---------------|------------|---------|---------------|
| NSE INRUSD Future Jun21 | 73.6950  | 74.3325  | 73.6500  | 74.2250  | 1.10  | 2291703       | 4191       | 3663383 | 2397234       |
| NSE EURINR Future Jun21 | 88.7500  | 88.7500  | 88.3050  | 88.5950  | -0.43 | 97946         | 874        | 286384  | 159800        |
| NSE GBPINR Future Jun21 | 103.3150 | 103.6425 | 103.0850 | 103.5100 | -0.09 | 131135        | -15407     | 448998  | 162874        |
| NSE JPYINR Future Jun21 | 66.6800  | 67.1275  | 66.5800  | 67.0550  | 0.41  | 25184         | -2996      | 46346   | 21442         |
|                         |          |          |          |          |       |               |            |         |               |
| NSE EURUSD Fut Jun21    | 1.2039   | 1.2039   | 1.1931   | 1.1941   | -1.46 | 2875          | -1092      | 4350    | 3012          |
| NSE GBPUSD Fut Jun21    | 1.4040   | 1.4040   | 1.3940   | 1.3962   | -1.08 | 6530          | 1808       | 4339    | 1471          |
| NSE USDJPY Fut Jun21    | 110.50   | 110.70   | 109.50   | 110.65   | 0.65  | 632           | 413        | 480     | 459           |

## 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 | 74.23  | 74.07  | 72.29  | 73.39  | 73.81  | 74.49  | 74.75  | 75.17  | 73.53   | 73.23    |
| NSE EURINR Future Jun21 | 88.60  | 88.55  | 87.42  | 88.11  | 88.35  | 88.80  | 89.00  | 89.24  | 88.88   | 89.10    |
| NSE GBPINR Future Jun21 | 103.51 | 103.41 | 101.97 | 102.86 | 103.18 | 103.74 | 103.97 | 104.30 | 103.49  | 103.49   |
| NSE JPYINR Future Jun21 | 67.06  | 66.92  | 65.49  | 66.37  | 66.71  | 67.26  | 67.47  | 67.81  | 66.86   | 66.86    |
|                         |        |        |        |        |        |        |        |        |         |          |
| NSE EURUSD Fut Jun21    | 1.1941 | 1.1970 | 1.1715 | 1.1862 | 1.1902 | 1.2010 | 1.2078 | 1.2118 | 1.2088  | 1.2162   |
| NSE GBPUSD Fut Jun21    | 1.3962 | 1.3981 | 1.3740 | 1.3881 | 1.3921 | 1.4021 | 1.4081 | 1.4121 | 1.40812 | 1.413325 |
| NSE USDJPY Fut Jun21    | 110.65 | 110.28 | 107.10 | 109.08 | 109.87 | 111.07 | 111.48 | 112.27 | 109.98  | 109.54   |

## USDINR June Month Option Distribution



# HDFC securities Retail Research: Currency Daily

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