

HDFC securities Retail Research Currency Daily

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Currency Movements

Currency	Last Price	Prev. Close	Chg.	% Chg.
USDINR	72.528	72.545	-0.017	-0.02%
DXY Index	91.890	91.860	0.030	0.03%
EURUSD	1.1905	1.1915	-0.001	-0.08%
GBPUSD	1.3911	1.3920	-0.001	-0.06%
USDJPY	109.03	108.88	0.150	0.14%

Global Equity Markets

Currency	Last Price	Prev. Close	Chg.	% Chg.
Nifty 50	14,558	14,721	-163	-1.11%
BSE Sensex 30	49,217	49,802	-585	-1.17%
Hang Seng	29,022	29,406	-384	-1.30%
Nikkei 225	29,963	30,217	-254	-0.84%
Shanghai Composite	3,424	3,463	-39	-1.11%
S&P 500	3,915	3,974	-59	-1.48%
Dow Jones	32,862	33,015	-153	-0.46%
NASDAQ Composite	13,116	13,525	-409	-3.02%
FTSE 100	6,780	6,763	17	0.25%
CAC 40	6,063	6,055	8	0.13%
DAX	14,776	14,597	179	1.23%

Risk-aversion and higher UST yields to weigh on Asian currencies

- » Indian rupee expected to open with dip cut in line with other Asian currencies following overnight strength in greenback and risk aversion after sharp surge in US Treasury bond yields. The ultra-dovish FOMC meeting left the 10- and 30-year Treasury yields at fresh Covid-era highs of 1.75% and 2.5%, respectively.
- » Indian rupee consolidated for third day in row even after stronger dollar and weaker equities. Rupee is the only currency in Asia to strengthen amid this month's rout in risk assets, thanks to a spree of share-sale offers that are luring foreign investors. Market participants should closely watch the movement of bond yields and crude oil prices as next month might not have this many public offering inflows.
- » Spot USDINR closed at 72.53 with loss of 2 paise on Thursday. The one month forward USDINR suggesting 20 paise higher opening at local bourses. Technically, we see short covering bounce in today's session with higher side resistance at 72.86 and support at 72.48.
- » Indian bonds pared losses after the central bank's Operation Twist. 10-year yields rise 1bps to close at 6.20% after earlier surging to 6.24%. RBI said it will conduct another Twist operation for 100b rupees on March 25.
- » Asian stocks looked set to drop after U.S. shares fell from a record, with equity futures pointing lower in India, Japan, Hong Kong and Australia. The dollar climbed against all its Group-of-10 peers as an overnight surge in Treasury yields prompted investors to boost long positions in the greenback. Elsewhere, WTI crude was smoked by 8% to \$59 a barrel for its worst one-day showing since last spring's foray into negative territory.
- » Officials from the U.S. and China begin their first meeting since Biden became president. Beijing is seeking a meeting between Presidents Joe Biden and Xi Jinping if this week's high-level talks are productive, but the U.S. has sought to set low expectations for a breakthrough.

USDINR March Hourly Chart



Technical Observations:

- USDINR March futures resisting at 20 EMA on hourly chart. The formation of lower top lower bottom on all time scale suggesting continuation of down trend.
- The pair is having resistance at 72.78 and 72.86, the 20 and 55 EMA on hourly chart.
- Momentum oscillators and indicators on hourly chart given positive cross-over but suggesting short covering bounce.
- We expect short covering bounce in coming days and pair could touch level of 73 odd levels while holding the support of 72.45 for the time being.

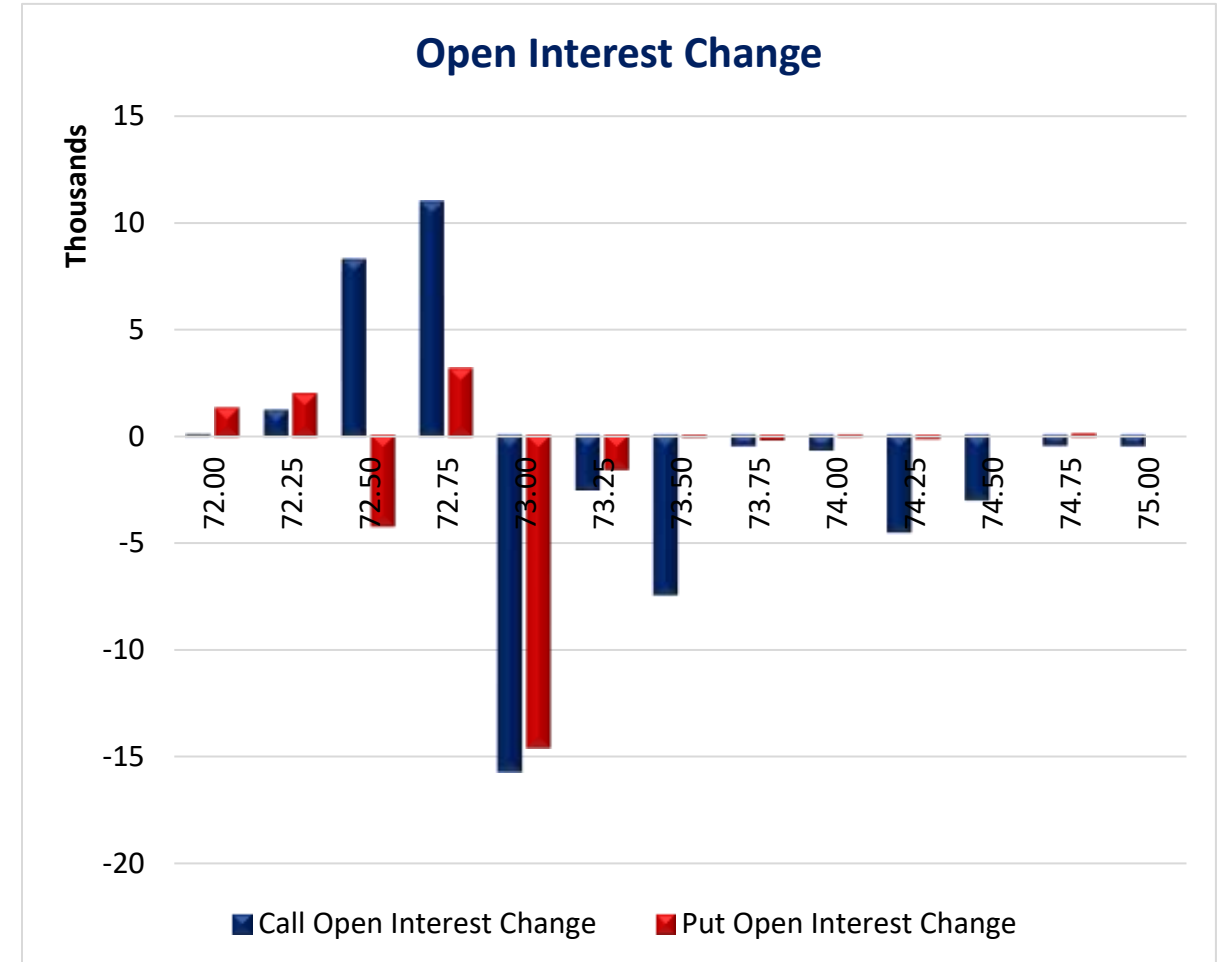
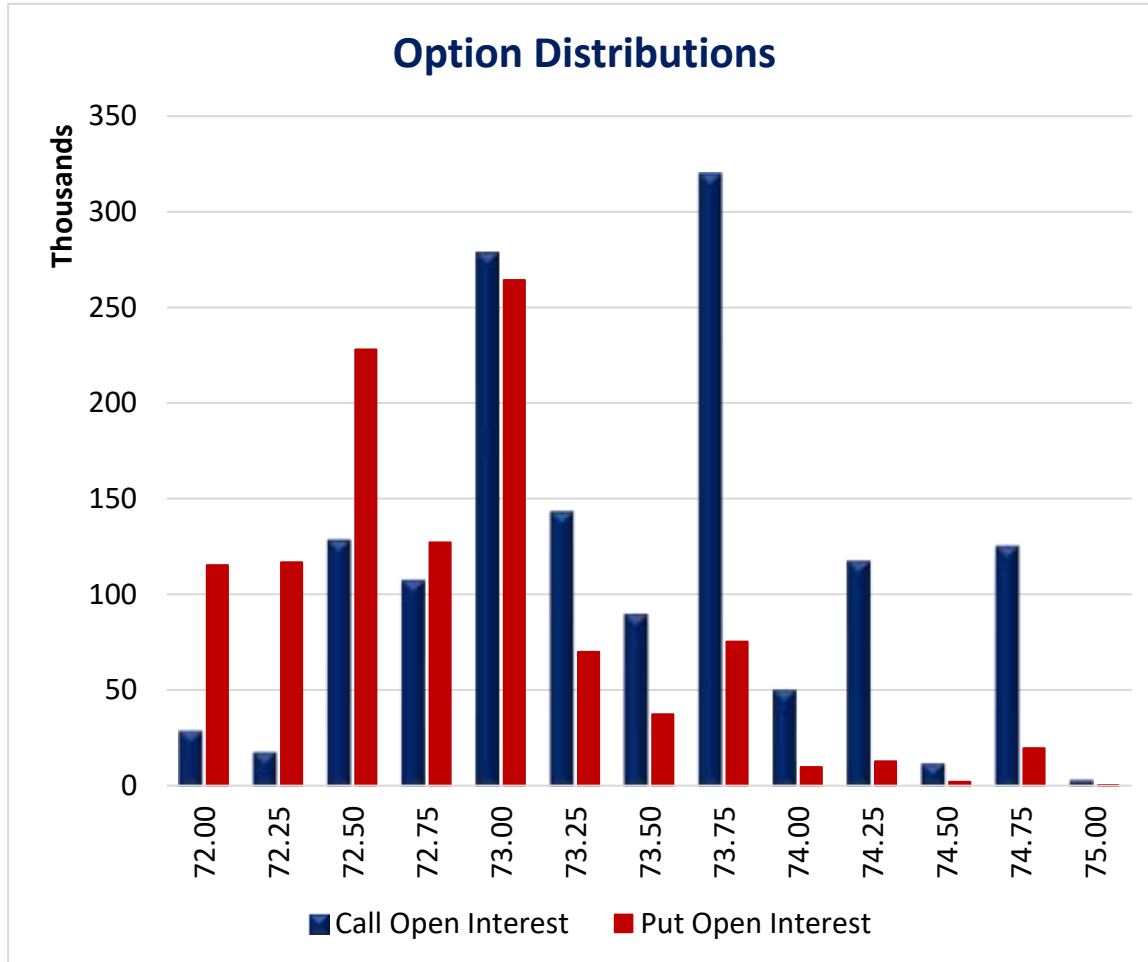
Currency Derivative Price Actions

Currency	Expiry	Open	High	Low	Close	Prev. Close	Chg.	% Chg.	OI	% OI	Volume	% Volume
USDINR	26-Mar-21	72.4950	72.7175	72.4500	72.5925	72.6700	-0.0775	-0.11%	2424628	-1.19%	1881481	23.13%
EURINR	26-Mar-21	87.1950	87.1950	86.7025	86.7600	86.5500	0.2100	0.24%	91969	-10.33%	110515	-3.86%
GBPINR	26-Mar-21	101.0500	101.5725	101.0500	101.5050	101.0500	0.4550	0.45%	132218	-1.14%	239352	-0.91%
JPYINR	26-Mar-21	66.6575	66.7500	66.5500	66.6400	66.6200	0.0200	0.03%	41162	-0.67%	39676	30.89%
EURUSD	26-Mar-21	1.1959	1.1990	1.1939	1.1954	1.1900	0.0054	0.45%	2396	-3.50%	1350	251.56%
GBPUSD	26-Mar-21	1.3949	1.3990	1.3938	1.3981	1.3900	0.0081	0.58%	2288	9.79%	1252	86.31%
USDJPY	26-Mar-21	108.75	109.16	108.75	108.99	109.02	-0.03	-0.03%	388	-14.16%	143	1687.50%

Technical Levels

Currency	Expiry	Last	Pivot	Resi.2	Resi.1	Supt.1	Supt.2
USDINR	26-Mar-21	72.5925	72.5867	72.8542	72.7233	72.4558	72.3192
EURINR	26-Mar-21	86.7600	86.8858	87.3783	87.0692	86.5767	86.3933
GBPINR	26-Mar-21	101.5050	101.3758	101.8983	101.7017	101.1792	100.8533
JPYINR	26-Mar-21	66.6400	66.6467	66.8467	66.7433	66.5433	66.4467
EURUSD	26-Mar-21	1.1954	1.1961	1.2012	1.1983	1.1932	1.1910
GBPUSD	26-Mar-21	1.3981	1.3970	1.4022	1.4001	1.3949	1.3918
USDJPY	26-Mar-21	108.99	108.97	109.38	109.18	108.77	108.56

USDINR March Month Option Distribution



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