

HDFC securities Retail Research Currency Daily

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Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	73.9300	74.0788	-0.1488	-0.20%
DXY Index*	91.0850	91.1200	-0.0350	-0.04%
EURUSD*	1.2051	1.2051	0.0000	0.00%
GBPUSD*	1.3887	1.3872	0.0015	0.11%
USDJPY*	109.20	109.47	-0.27	-0.25%
USDINR 1M NDF*	74.48	74.48	0.0000	0.00%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	14634.2	14631.1	3.0	0.02%
Sensex	48718.5	48782.4	-63.8	-0.13%
Hang-Seng	28438.2	28357.5	80.6	0.28%
Nikkei	28812.6	29054.0	-241.3	-0.83%
Shanghai	3446.9	3474.9	-28.0	-0.81%
S&P Index	4192.7	4181.2	11.5	0.27%
Dow Jones	34113.2	33874.9	238.4	0.70%
Nasdaq	13895.1	13962.7	-67.6	-0.48%
FTSE	6969.8	6961.5	8.3	0.12%
CAC	6307.9	6269.5	38.4	0.61%
DAX	15236.5	15135.9	100.6	0.66%

* Prev. Close 5pm IST

Steady start following overseas trend

- » Indian rupee joined the party with other Asian currencies with gaining 15 paise to 73.93 a dollar on back of rebound in risk-sentiments, weakness in dollar index, better than expected manufacturing activities in April and slower virus case counts. The number of confirmed Covid-19 cases in India slowed for a second day to a total of 19.93 million. New infections of 368,147 reported on Monday were the lowest in five days.
- » The manufacturing sector stayed robust across much of Asia in April, with the PMIs of several economies hitting multi-year highs. The strength came despite a flareup of the virus in some parts of the region. India's Markit manufacturing PMI for April came at 55.5 from previous 55.4 .
- » USDINR near-term forward premiums surged on Monday amid a glut of dollars in the banking system, with traders citing inflows related to PowerGrid InvIT IPO for which foreign funds may have sold dollars in spot and taken a contrary position in forwards. USDINR 1-month annualized forward premia up 240 bps to 8.4350% and 3-month up 110bps to 6.4295%.
- » Technically, spot USDINR is having support at 73.70, the 200 DMA and resistance at 74.30.
- » The 10-year bond yields fell 3bps to 6%, yields dropped after the reported deals segment showed 31b rupees of 10-year changed hands, leading traders to suspect RBI intervention.
- » The dollar lagged all its Group-of-10 currency peers as Treasury 10-year yields slipped following a report showing U.S. factory growth eased in April. The pound led gains, while the euro rose by the most in over a week. However, Inflation risks continue to haunt U.S. dollar rate curves, even though Jerome Powell and Janet Yellen have both played down the risks as being transient.

USDINR May Daily Chart



Technical Observations:

»» USDINR May futures.

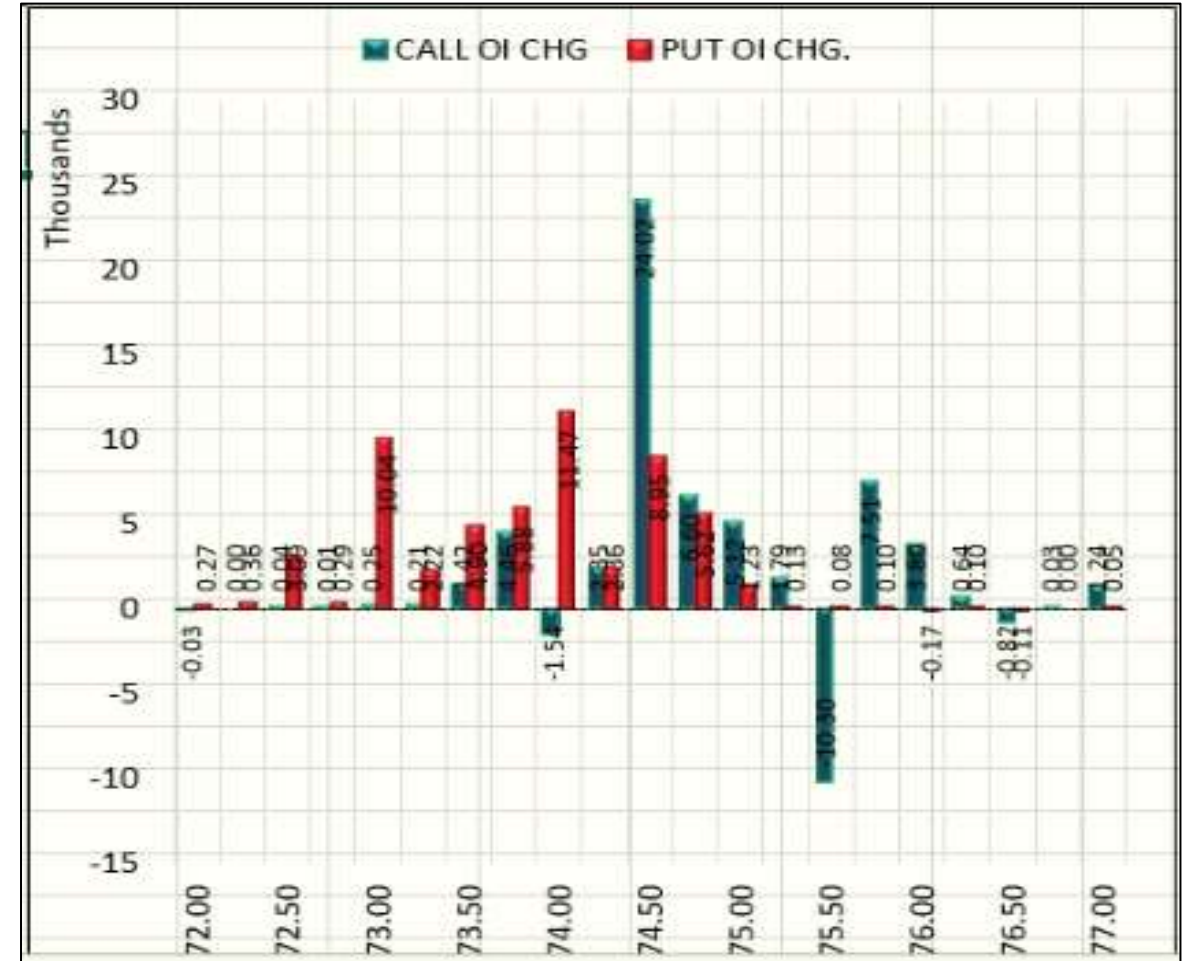
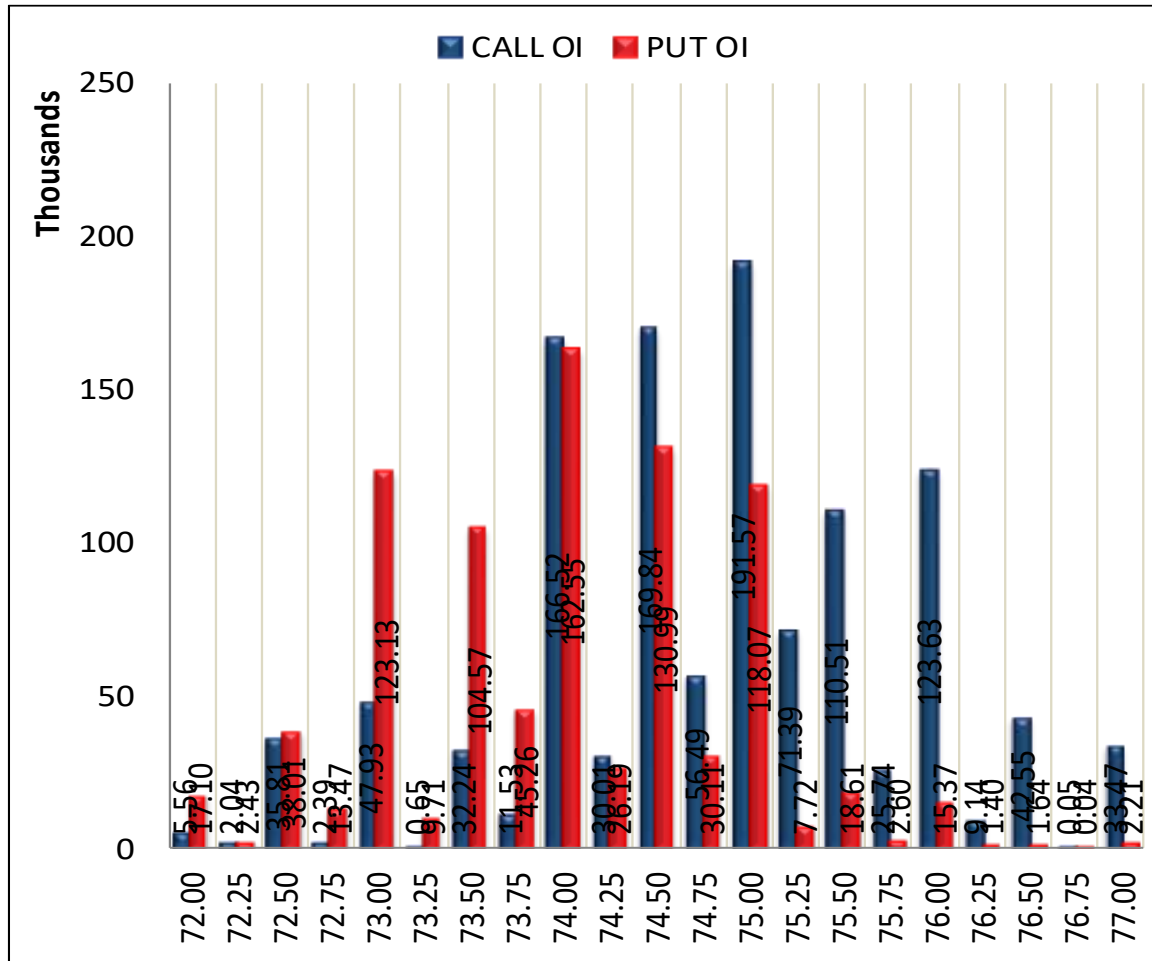
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future May21	74.5325	74.6850	74.3075	74.3350	-0.07	2774368	21483	2377548	-56049
NSE EURINR Future May21	89.6975	89.8575	89.5800	89.6375	-0.31	125753	-998	158561	26539
NSE GBPINR Future May21	103.1550	103.2675	102.9500	103.1375	-0.36	158619	-3988	214041	-87769
NSE JPYINR Future May21	68.1025	68.1650	67.8800	67.9400	-0.64	16212	242	40890	11438
NSE EURUSD Fut May21	1.2025	1.2059	1.2018	1.2059	-0.22	2198	45	1072	762
NSE GBPUSD Fut May21	1.3849	1.3877	1.3807	1.3871	-0.25	1202	-109	5661	4817
NSE USDJPY Fut May21	109.26	109.57	109.26	109.39	0.58	439	231	241	208

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 May21	74.34	74.44	73.55	74.07	74.20	74.58	74.82	74.96	74.55	74.77
NSE EURINR Future May21	89.64	89.69	89.03	89.41	89.53	89.80	89.97	90.08	90.08	89.45
NSE GBPINR Future May21	103.14	103.12	102.32	102.80	102.97	103.29	103.44	103.60	103.61	103.46
NSE JPYINR Future May21	67.94	68.00	67.31	67.71	67.83	68.11	68.28	68.40	68.48	68.54
NSE EURUSD Fut May21	1.2059	1.2045	1.1936	1.2004	1.2032	1.2073	1.2086	1.2114	1.2082	1.1972
NSE GBPUSD Fut May21	1.3871	1.3852	1.3667	1.3782	1.3826	1.3896	1.3922	1.3966	1.38962	1.384595
NSE USDJPY Fut May21	109.39	109.41	108.64	109.10	109.24	109.55	109.72	109.86	108.84	109.09

USDINR May Month Option Distribution



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