

HDFC securities Retail Research Currency Daily

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Analyst:
Dilip Parmar
dilip.parmar@hdfcsec.com



Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	73.3463	73.5112	-0.1649	-0.22%
DXY Index*	90.2700	90.1960	0.0740	0.08%
EURUSD*	1.2136	1.2157	-0.0021	-0.17%
GBPUSD*	1.4115	1.4102	0.0013	0.09%
USDJPY*	108.91	108.84	0.07	0.06%
USDINR 1M NDF*	73.85	73.77	0.0800	0.11%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	14942.4	14823.2	119.2	0.80%
Sensex	49502.4	49206.5	295.9	0.60%
Hang-Seng	27965.4	28595.7	-630.3	-2.20%
Nikkei	28730.5	29518.3	-787.8	-2.67%
Shanghai	3396.9	3428.0	-31.1	-0.91%
S&P Index	4188.4	4232.6	-44.2	-1.04%
Dow Jones	34742.8	34777.8	-34.9	-0.10%
Nasdaq	13401.9	13752.2	-350.4	-2.55%
FTSE	7123.7	7129.7	-6.0	-0.08%
CAC	6386.0	6385.5	0.5	0.01%
DAX	15400.4	15399.7	0.8	0.00%

* Prev. Close 5pm IST

Risk aversion to weigh on Rupee

- » Rupee expected to open lower following overnight gains in dollar, risk aversion and concern over new variant of virus found in India. The non deliverable forward USDINR last quoted at 73.85, 8 paise higher from yesterday's 5pm IST.
- » Indian rupee rises for a third straight day to its highest in more than a month as stocks climb and a weaker dollar supported emerging Asian currencies. Local currencies gained on softer dollar, fund inflows and weaker import demand as restrictions were imposed by many state government. USD/INR fell 0.2% to 73.35, the lowest since April 5 while S&P BSE Sensex Index advances for a fourth day, rising 0.6%.
- » Technically, spot USDINR is expected to see some short covering following oversold condition on daily chart. The pair is expected to resist around 73.67 while could hold support of 73.20 in today's trade.
- » A gauge of the dollar rose for the first time in five days as expectations for quicker inflation in U.S. data this week and the World Health Organization's concern over a new Covid variant boosted demand for haven assets. The surge in commodities in recent days is intensifying debate ahead of the U.S. CPI report Wednesday that is forecast to show a gain in April. WHO classified the B.1.617 Covid 19 variant from India as a global concern.
- » Asian equities are set to follow U.S. peers in selling off ahead of reports that will show a jump in annual inflation thanks to base effects amid the post-pandemic economic rebound. U.S. CPI is expected to accelerate in a way rarely seen since the 1980s, so there's an argument to be made that taking cash off the table makes sense. Core CPI is forecast to climb 70bps -- the most since 1981. With soaring commodities prices, transport costs and supply shortages, it's not hard to see inflation risks everywhere.

USDINR May Daily Chart



Technical Observations:

- USDINR May futures formed Doji candles between 50 and 100 DMA, indicating indecisiveness among traders.
- Monday's candle will be make or break candle with crossing of high 74.68 will reversal while breaking of 73.48 will dragged pair towards 73.05 level.
- Momentum oscillator, RSI about to enter oversold zone suggesting slower momentum.
- We expect short covering bound in today's trade and crossing of 73.68 level will open door for 73.82 while breaking below 73.48 will nullify the view.

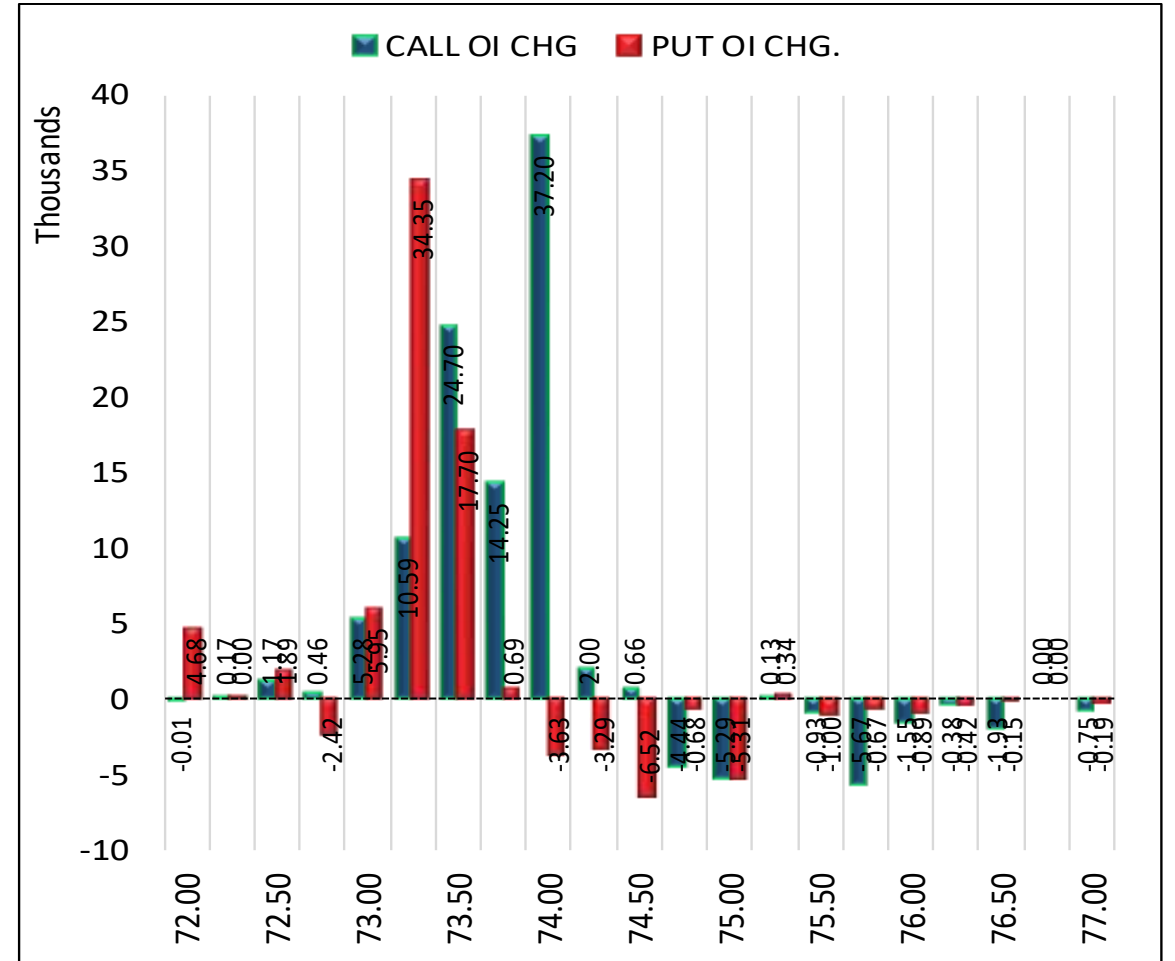
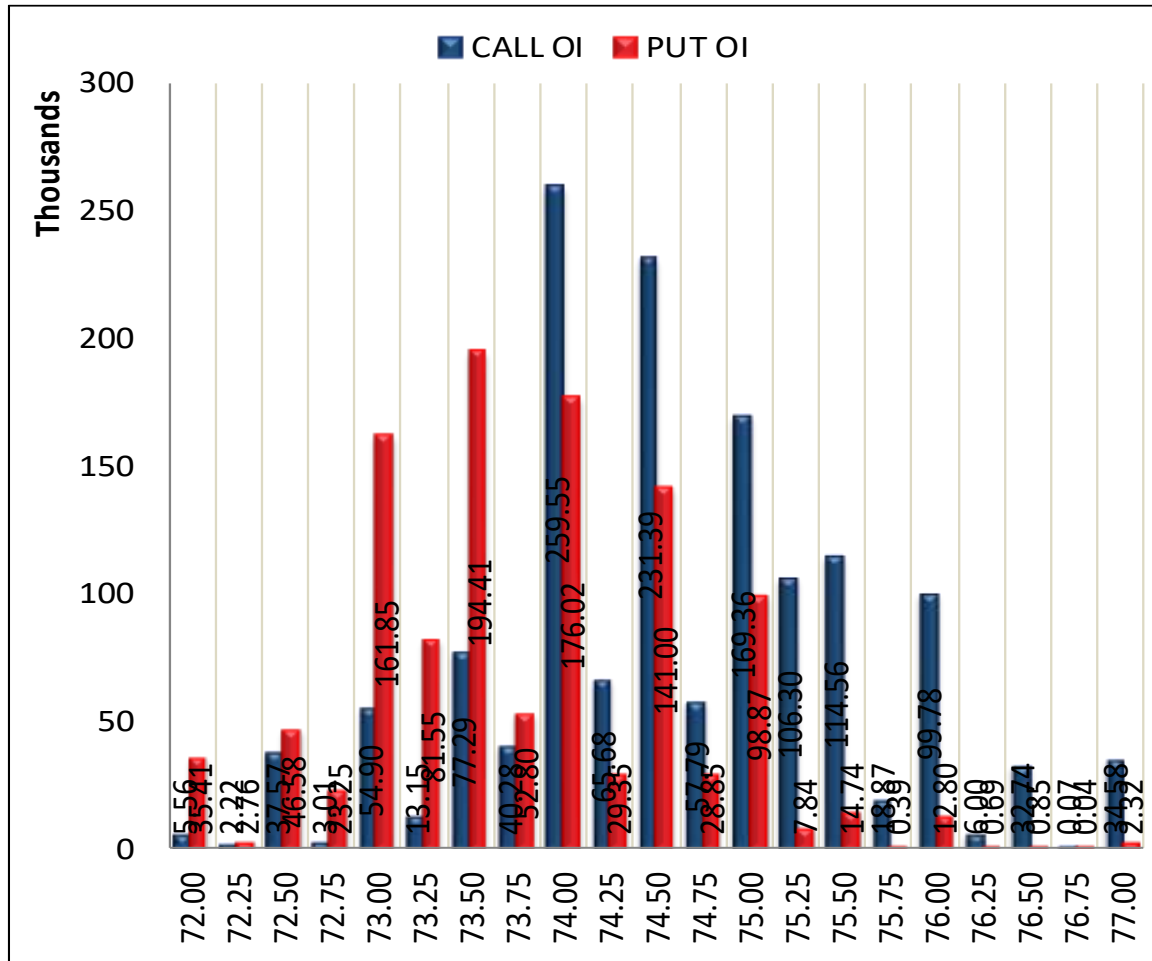
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future May21	73.5800	73.6775	73.4800	73.5475	-0.16	2498189	-150496	1906388	-241083
NSE EURINR Future May21	89.3075	89.6100	89.3050	89.5025	0.57	115923	1969	138290	-1993
NSE GBPINR Future May21	102.8600	103.7500	102.8600	103.7100	1.19	152516	5691	326634	88251
NSE JPYINR Future May21	67.6350	67.7375	67.4925	67.6200	0.16	18154	1601	37745	11621
NSE EURUSD Fut May21	1.2121	1.2179	1.2121	1.2168	0.74	2408	0	986	-78
NSE GBPUSD Fut May21	1.4015	1.4102	1.4014	1.4093	1.31	6174	4332	5678	4994
NSE USDJPY Fut May21	109.04	109.04	108.61	108.75	-0.36	87	-25	61	41

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	73.55	73.57	73.09	73.37	73.46	73.66	73.77	73.85	73.93	74.73
NSE EURINR Future May21	89.50	89.47	88.70	89.17	89.34	89.64	89.78	89.95	89.22	89.92
NSE GBPINR Future May21	103.71	103.44	101.08	102.55	103.13	104.02	104.33	104.91	103.08	103.68
NSE JPYINR Future May21	67.62	67.62	67.00	67.37	67.50	67.74	67.86	67.99	67.75	68.68
NSE EURUSD Fut May21	1.2168	1.2156	1.2005	1.2098	1.2133	1.2191	1.2214	1.2249	1.2067	1.2039
NSE GBPUSD Fut May21	1.4093	1.4070	1.3838	1.3982	1.4037	1.4125	1.4158	1.4213	1.39382	1.387685
NSE USDJPY Fut May21	108.75	108.80	107.75	108.37	108.56	108.99	109.23	109.42	109.13	108.79

USDINR May Month Option Distribution



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HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Binkle R. Oza Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

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