

HDFC securities Retail Research

Currency Daily

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Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	79.7162	79.9037	-0.1875	-0.23%
DXY Index*	109.096	109.440	-0.344	-0.31%
EURUSD*	1.0061	1.0019	0.0042	0.42%
GBPUSD*	1.1559	1.1537	0.0022	0.19%
USDJPY*	143.71	143.54	0.17	0.12%
USDCNH*	6.9504	6.9548	-0.0044	-0.06%
USDINR 1M FWD*	79.880	79.890	-0.0100	-0.01%
India 10 Yr. Yield	7.0790	7.1840	-0.1050	-1.46%
US 10 Yr. Yield	3.3151	3.3170	-0.0019	-0.06%

Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	17798.8	17624.4	174.35	0.99%
Sensex	59688.2	59028.9	659.31	1.12%
Hang-Seng	19218.7	18854.6	364.04	1.93%
Nikkei	28134.1	28065.3	68.81	0.25%
Shanghai	3249.0	3235.6	13.40	0.41%
S&P Index	4006.2	3979.9	26.31	0.66%
Dow Jones	31774.5	31581.3	193.24	0.61%
Nasdaq	10894.5	10860.6	33.89	0.31%
FTSE	7262.1	7237.8	24.23	0.33%
CAC	6125.9	6105.9	19.98	0.33%
DAX	12904.3	12916.0	-11.65	-0.09%

Haven Coming Home As Risk Sentiments Improves

- The Indian Rupee could open flat but heads for the second weekly gains following recovery in risk assets and foreign fund inflows. Overnight, the dollar falls in a corrective move into the weekend ahead of US inflation data next week.
- On Thursday, spot USDINR fell 19 paise or 0.23%, the biggest one-day fall of the September month, amid risk-on moods supported by foreign fund inflows. Technically, the pair is still in the broad range of 79 to 80 and directional movement can only be seen only after breakout or breakdown. For today, spot USDINR is likely to trade in the range of 79.50 to 79.80 with a negative bias.
- A gauge of the dollar's strength fell as improving risk sentiment and a hawkish European Central Bank curbed demand for the world's preeminent haven asset. The ECB raised interest rates by 75 basis points on Thursday and left the door open to another jumbo rate hike in October, bolstering investor sentiment toward the euro against the greenback.
- Stocks in Asia look set for a subdued start, hampered by hardening expectations of another large Federal Reserve interest-rate hike.
- Federal Reserve Chair Jerome Powell said officials won't flinch in the battle to curb inflation, hardening expectations that they'll deliver a third straight jumbo rate hike later this month. They next meet on Sept. 20-21 and Powell has kept the option open for another 75 basis-point moves, following increases of that size in June and July.

USDINR September Futures Daily Chart



Technical Observations:

- USDINR September futures hovering around 13 and 21-day exponential moving averages.
- The pair is having strong support at 55 days exponential moving average currently placed at 79.69.
- Momentum oscillator on daily chart turned weak with negative cross over and declining.
- MACD line flattens above zero line with histogram bars remaining tiny.
- DMI indicating weakness in the direction as -Di is placed above +DI while ADX line turning up.
- Long unwinding has been seen with a fall in price and open interest.
- USDINR September futures could trade in the range of 79.70 to 80 with a negative bias.

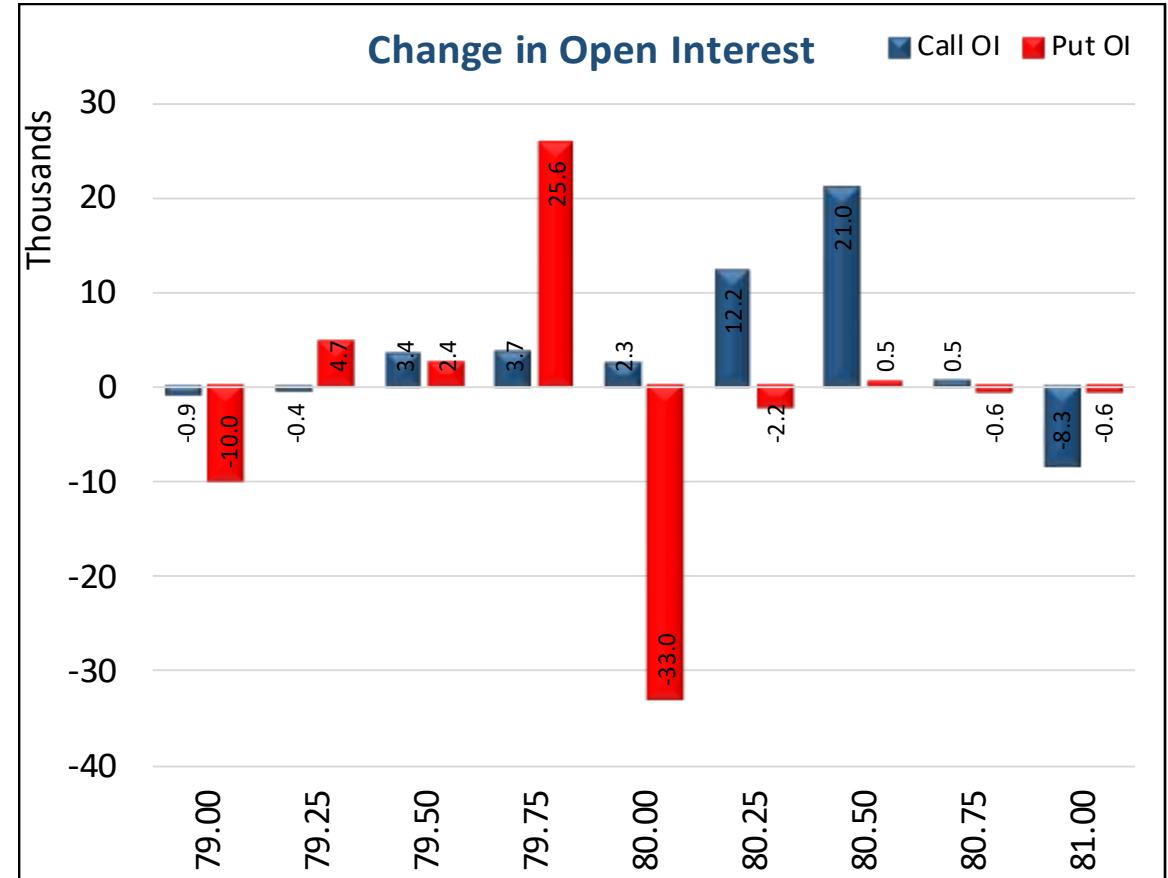
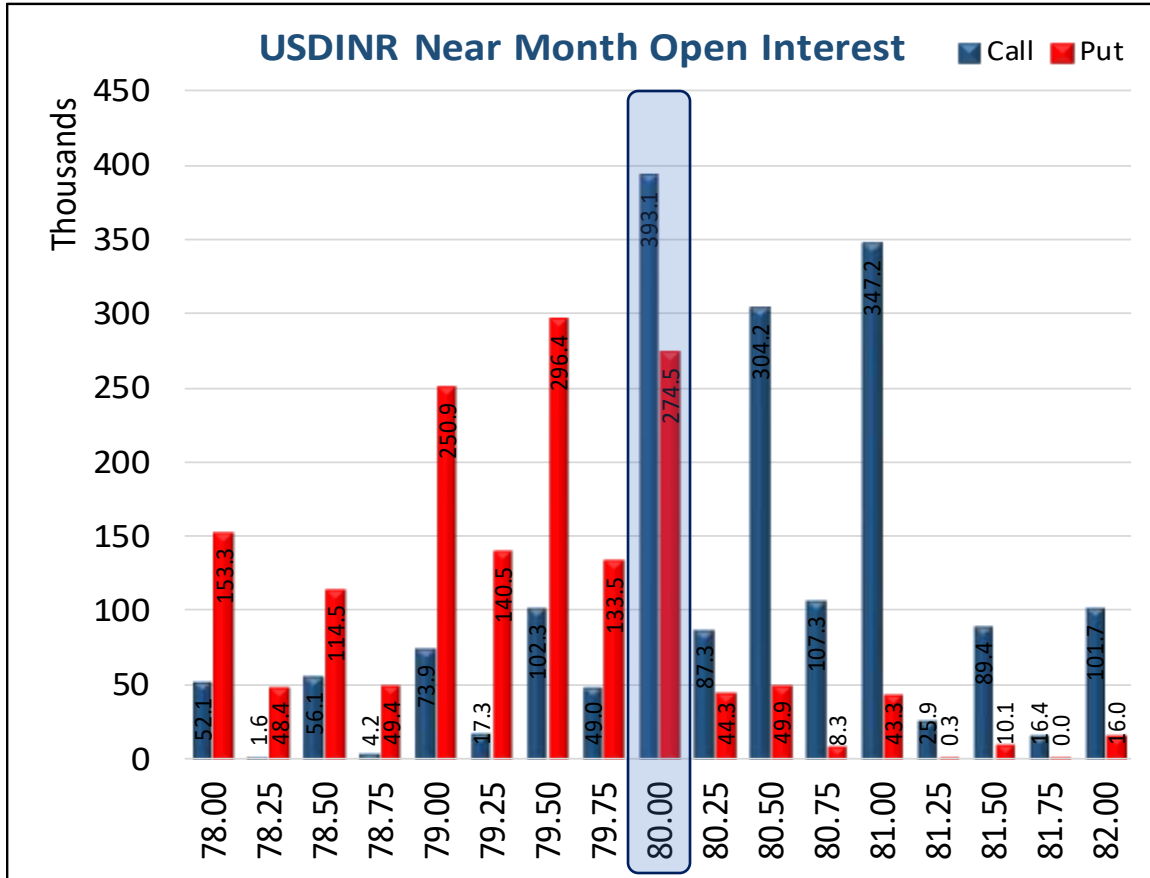
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg. in Volume	Agg. Open Interest	Chg. in Agg. OI
NSE USDINR Future Sept 22	79.8500	80.0400	79.7700	79.8150	-0.33	3395999	-57553	2316465	214742	5144818	-47677
NSE EURINR Future Sept 22	79.7000	80.0750	79.7000	80.0075	0.76	132034	-30058	289366	28180	165613	-24906
NSE GBPINR Future Sept 22	91.8275	92.2850	91.7325	92.1900	0.55	196985	-17037	281770	2844	237536	-16946
NSE JPYINR Future Sept 22	55.5650	55.8000	55.5300	55.6875	0.36	94062	-838	94795	6016	110129	-634
NSE EURUSD Future Sept 22	0.9999	1.0030	0.9995	1.0027	1.16	5346	356	2463	1760	5348	356
NSE GBPUSD Future Sept 22	1.1501	1.1559	1.1486	1.1545	0.85	22035	80	883	-1225	22035	80
NSE USDJPY Future Sept 22	143.91	143.91	143.20	143.38	-0.73	4851	-1109	1927	-1717	4873	-1101

Technical Levels

Currency Pairs	LAST	PIVOT	Supt.3	Supt.2	Supt.1	Resi.1	Resi.2	Resi.3	5 DMA	20 DMA
NSE USDINR Future Sept 22	79.82	79.88	79.23	79.61	79.71	79.98	80.15	80.25	79.97	79.98
NSE EURINR Future Sept 22	80.01	79.93	78.95	79.55	79.78	80.16	80.30	80.53	79.73	80.63
NSE GBPINR Future Sept 22	92.19	92.07	90.63	91.52	91.85	92.41	92.62	92.96	92.25	94.55
NSE JPYINR Future Sept 22	55.69	55.67	54.99	55.40	55.55	55.82	55.94	56.09	56.39	58.28
NSE EURUSD Future Sept 22	1.0027	1.0017	0.9925	0.9982	1.0005	1.0040	1.0052	1.0075	0.9967	1.0081
NSE GBPUSD Future Sept 22	1.1545	1.1530	1.1340	1.1457	1.1501	1.1574	1.1603	1.1647	1.15326	1.1819
NSE USDJPY Future Sept 22	143.38	143.50	141.78	142.79	143.08	143.79	144.21	144.50	141.92	137.38

USDINR September Month Option Distributions



- Maximum pain remained at 80 strikes with a total open interest of 6.68 lakh from the previous day's 6.98 lakh contracts.
- Put call ratio declined from 0.86 to 0.83 amid unwinding. Call writing has been seen on 80.50 strikes while Put writing on 79.75 strikes.
- Option distributions indicate the range of 79 to 81.

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