

HDFC securities Retail Research Currency Daily

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Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	74.3775	74.4650	-0.0875	-0.12%
DXY Index*	92.2340	92.5800	-0.3460	-0.37%
EURUSD*	1.1848	1.1803	0.0045	0.38%
GBPUSD*	1.3913	1.3869	0.0044	0.32%
USDJPY*	109.74	110.08	-0.34	-0.31%
USDINR 1M NDF*	74.67	74.63	0.0400	0.05%

Global Equity Markets

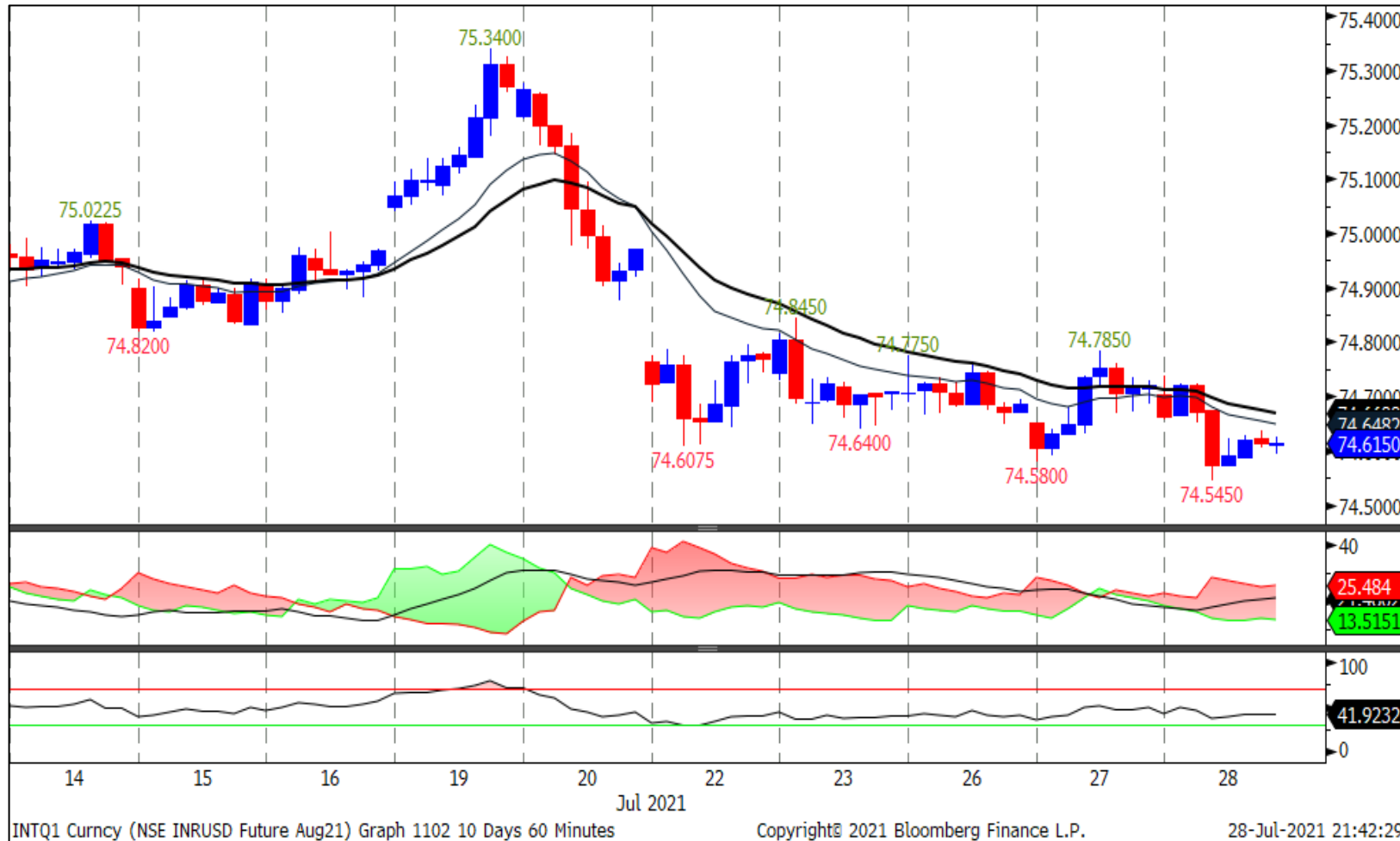
Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	15709.4	15746.5	-37.1	-0.24%
Sensex	52443.7	52578.8	-135.1	-0.26%
Hang-Seng	25877.9	25473.9	404.0	1.59%
Nikkei	27678.1	27581.7	96.5	0.35%
Shanghai	3388.7	3361.6	27.1	0.81%
S&P Index	4400.6	4401.5	-0.8	-0.02%
Dow Jones	34930.9	35058.5	-127.6	-0.36%
Nasdaq	14762.6	14660.6	102.0	0.70%
FTSE	7016.6	6996.1	20.6	0.29%
CAC	6609.3	6531.9	77.4	1.18%
DAX	15570.4	15519.1	51.2	0.33%

* Prev. Close 5pm IST

Dollar down as risk recovers after Powell says rate hike “a ways away”

- »» Indian rupee expected to open flat in line with other Asian peers and expected to add gains following weakness in dollar index and rebound in risk sentiments after FOMC meets and Chinese regulators calms the investors nervous.
- »» On Wednesday, spot USDINR fell 9 paise to 74.38, snapping two days gains following strong dollar inflows on month end adjustment and weaker dollar index. Technically, the pair is expected to head towards swing low of 74.25 while 74.75 will act as near term hurdle.
- »» The dollar fell after briefly climbing following the Fed statement. Fed Chair Powell said during his press conference that despite the economy’s progress, an interest rate hike was still “a ways away.”
- »» The Fed said it’s made progress towards reaching its employment and inflation goals, and they will “continue to assess progress in coming meetings.” Using the plural - “meetings” – rules out September for an official announcement for tapering, and Nov/Dec seem to be the most likely time frame, just as most investors are expecting. Powell also downplayed the risk of the Covid variant, saying the impact of this wave is likely to be smaller given the low hospitalisation.
- »» Asian stocks look set to rise after the Federal Reserve said more economic progress is needed to start tapering substantial stimulus. Meanwhile, Oil prices received a fillip after data showed U.S. crude inventories fell more sharply than analysts had forecast, overshadowing worries that a resurgent pandemic might hit demand.
- »» Chinese equities rebound after China’s securities regulator convened a virtual meeting with executives of major investment banks on Wednesday night, attempting to ease market fears about Beijing’s crackdown on the private education industry.

USDINR August Hourly Chart



Technical Observations:

- » USDINR August futures drifted further lower on expiry day and closed below short term moving averages.
- » It has broken the support of previous bottom in intraday but manages to close slightly above previous bottom.
- » Momentum oscillators and indicators stayed weak on hourly and daily chart indicating continuation of downward momentum and trend.
- » USDINR August futures has now support at 74.40 and resistance at 74.80. The bias pair remains bearish until it closes above 74.80.

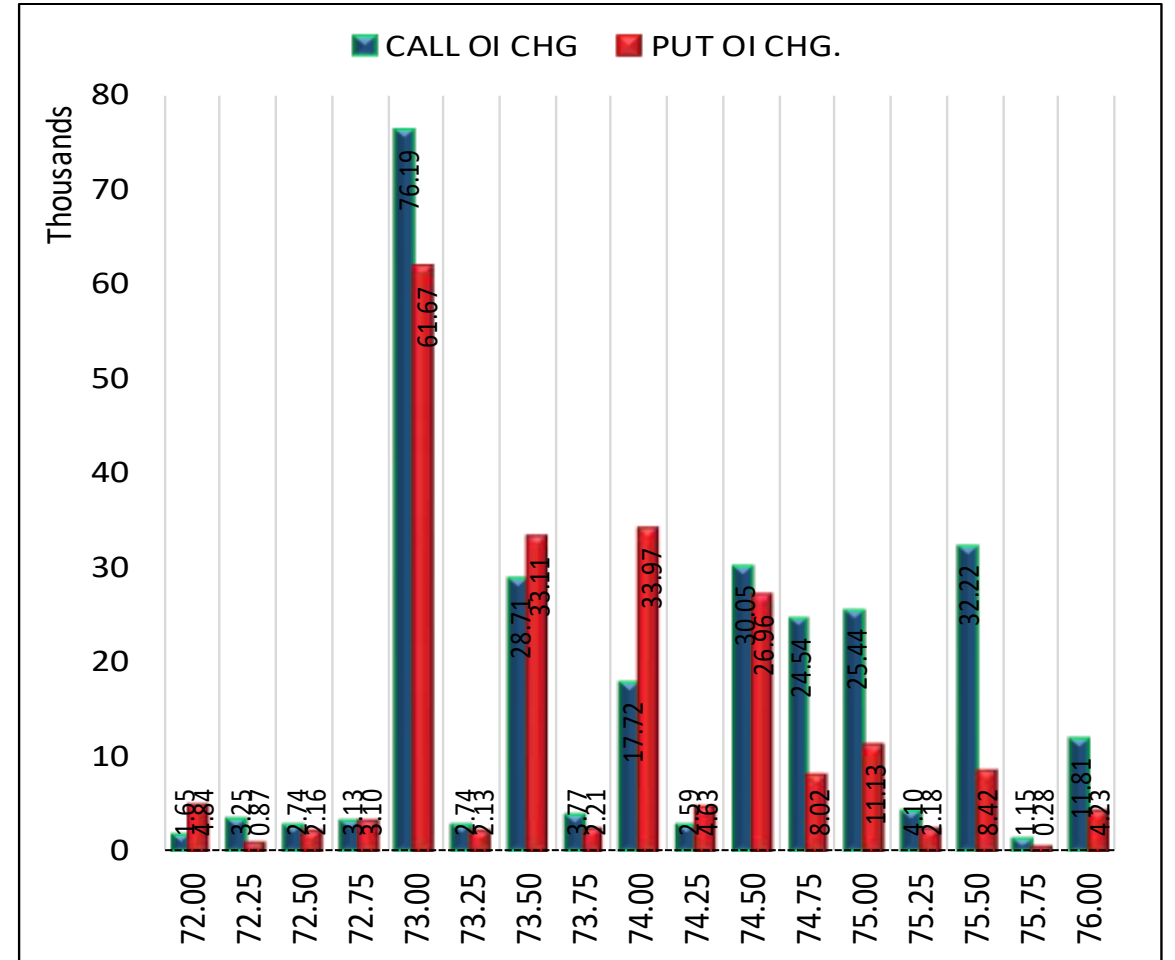
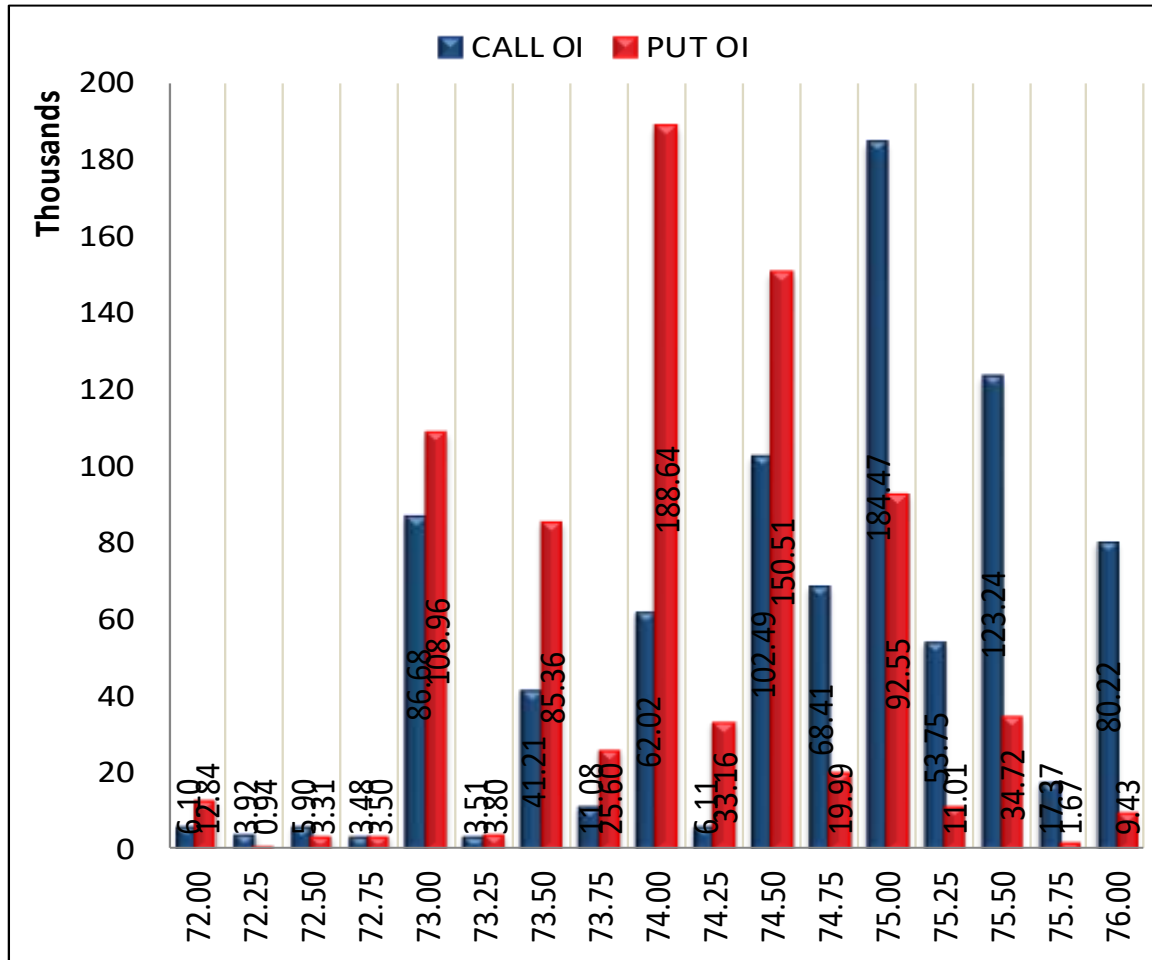
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg.in Volume
NSE INRUSD Future Aug21	74.7000	74.7375	74.5450	74.6175	-0.13	2087294	529567	2273715	1062570
NSE EURINR Future Aug21	88.2500	88.4000	88.1225	88.1500	0.01	109510	30996	188990	134833
NSE GBPINR Future Aug21	103.6550	103.7000	103.4175	103.4925	0.47	160697	49730	415263	303295
NSE JPYINR Future Aug21	67.9800	68.0900	67.8100	67.8350	-0.01	20433	5113	47000	22519
NSE EURUSD Fut Aug21	1.1825	1.1835	1.1812	1.1813	0.14	2300	761	1659	-371
NSE GBPUSD Fut Aug21	1.3841	1.3885	1.3841	1.3866	0.57	2637	2012	2501	1777
NSE USDJPY Fut Aug21	109.78	110.22	109.72	109.97	-0.15	171	43	126	25

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 Aug21	74.62	74.63	74.16	74.44	74.53	74.72	74.83	74.91	74.70	74.92
NSE EURINR Future Aug21	88.15	88.22	87.57	87.95	88.05	88.33	88.50	88.60	88.13	88.65
NSE GBPINR Future Aug21	103.49	103.54	102.85	103.25	103.37	103.66	103.82	103.94	102.97	103.38
NSE JPYINR Future Aug21	67.84	67.91	67.25	67.63	67.73	68.01	68.19	68.29	67.80	67.92
NSE EURUSD Fut Aug21	1.1813	1.1820	1.1766	1.1797	1.1805	1.1828	1.1843	1.1851	1.1796	1.1831
NSE GBPUSD Fut Aug21	1.3866	1.3864	1.3753	1.3820	1.3843	1.3887	1.3908	1.3931	1.37842	1.38025
NSE USDJPY Fut Aug21	109.97	109.97	108.72	109.47	109.72	110.22	110.47	110.72	110.18	110.31

USDINR August Month Option Distribution



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Disclosure:

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