

# HDFC securities Retail Research

## Currency Daily

17 August 2022



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### Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	79.6550	79.6375	0.0175	0.02%
DXY Index*	106.386	105.556	0.8300	0.79%
EURUSD*	1.0174	1.0285	-0.0111	-1.08%
GBPUSD*	1.2108	1.2133	-0.0025	-0.21%
USDJPY*	134.07	133.80	0.27	0.20%
USDCNH*	6.7941	6.7424	0.0517	0.77%
USDINR 1M FWD*	79.460	79.980	-0.5200	-0.65%
India 10 Yr. Yield	7.2890	7.2690	0.0200	0.28%
US 10 Yr. Yield	2.8131	2.8041	0.0090	0.32%

### Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	17825.3	17698.2	127.10	0.72%
Sensex	59842.2	59462.8	379.43	0.64%
Hang-Seng	19817.8	19830.5	-12.68	-0.06%
Nikkei	29061.7	28868.9	192.76	0.67%
Shanghai	3264.7	3277.9	-13.18	-0.40%
S&P Index	4305.2	4297.1	8.06	0.19%
Dow Jones	34152.0	33912.4	239.57	0.71%
Nasdaq	11689.1	11613.0	76.12	0.66%
FTSE	7536.1	7509.2	26.91	0.36%
CAC	6592.6	6570.0	22.63	0.34%
DAX	13910.1	13816.6	93.51	0.68%

\* Prev. Close 5pm IST

### Rupee Bulls Are Back After Holiday

- India's onshore FX trading will resume Wednesday after a public holiday. The domestic forex market remained closed on Monday and Tuesday because of Independence day and Parsi new year. Spot USDINR could open 50 paise lower taking cues from the forward markets.
- Indian rupee to open with up-gap to follow up last two days rally regional currencies, risk assets and lower crude oil prices. Some of the positive factors which are likely to support the rupee are:
  - Sliding oil prices could help improve India's external balance while bringing inflation under control.
  - In addition, foreign investors have turned into net buyers of India's financial assets, recently. They purchased a net 2.65bn and \$277mn of local shares and bonds respectively on August 1-11, after reducing holdings by \$27.72bn and \$2.25bn respectively in the first seven months of 2022.
  - RBI is expected to continue to defend the INR amid ongoing external uncertainty, capping upside room for USD/INR.
  - Russia is considering purchases of China's yuan, India's rupee and Turkey's lira for its wealth fund under a budget mechanism that uses excess income from energy sales.
- On Friday, we have seen the pair briefly recover all losses to close with a 2 paise gain to 79.66. Technically, the pair is having resistance around 79.95 and support at 79.20.
- According to the data released earlier, India's CPI inflation eased to 6.71% YoY in July from 7.01% YoY in June, below the market estimate of 6.75%. Meanwhile, the country's WPI inflation declined to 13.93% YoY in July from 15.18% YoY the previous month, compared to market expectations of 13.70%.
- The greenback was mixed against its Group-of-10 peers, with the Japanese yen and the Swiss franc as the biggest decliners for the session.

### USDINR August Futures Daily Chart



### Technical Observations:

- USDINR August futures has been facing stiff resistance at the middle band of the Bollinger band.
- The pair is having upward sloping trend line support near 79.
- The pair is meandering around 13 days exponential moving average for the last six days.
- Relative Strength Index of 14 days oscillating around 50 indicating consolidation in the near term.
- MACD is placed above zero line but the direction remained down following negative cross-over and histogram bars.
- Long unwinding has been seen with a decline in the price and the open interest along with volatility.
- USDINR August futures could consolidate in the range of 79.30 to 79.90.

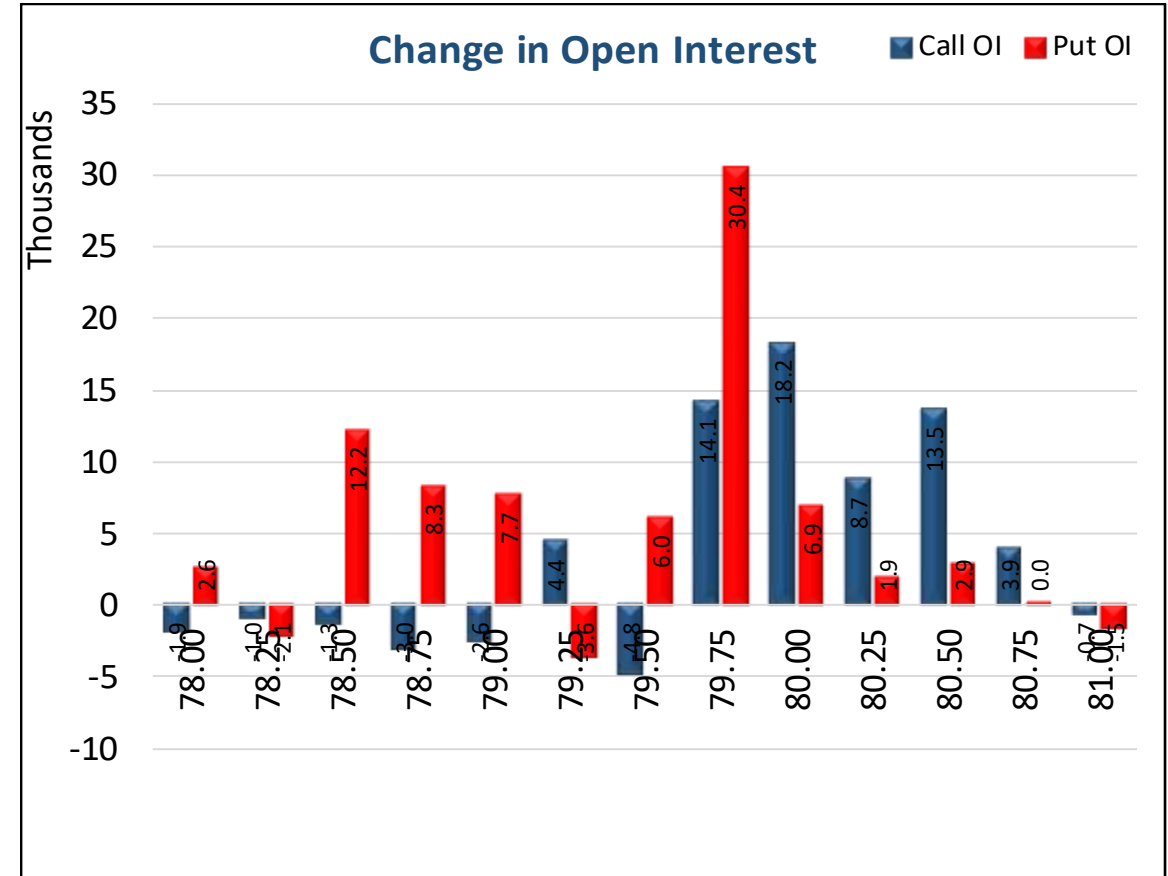
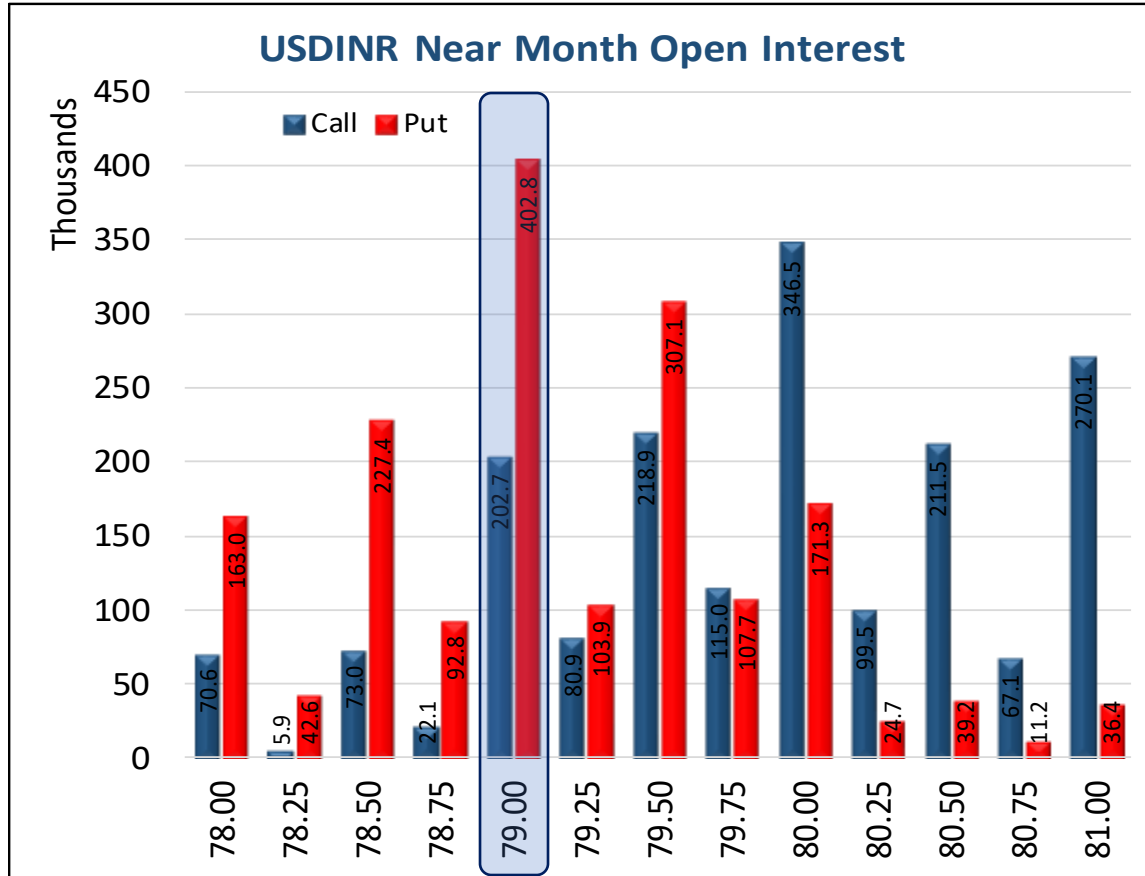
Currency Derivative Price Actions

Currency Pairs	Open	High	Low	Close	Chg.	Open Interest	Chg. In OI	Volume	Chg. in Volume	Agg. Open Interest	Chg. in Agg. OI
NSE INRUSD Future Aug22	79.7625	79.8450	79.6925	79.8150	0.09	3378951	-90513	2162229	-519674	6001136	-87498
NSE EURINR Future Aug22	82.2675	82.3800	82.0950	82.1400	-0.31	142593	-2635	227393	-81655	193481	273
NSE GBPINR Future Aug22	97.1025	97.3875	96.6850	96.8400	-0.43	86499	-37623	318648	-28814	125286	-46491
NSE JPYINR Future Aug22	60.0000	60.0000	59.6925	59.7500	-0.63	45797	-16786	103071	-55234	81512	-21950
NSE EURUSD Fut Aug22	1.0321	1.0329	1.0287	1.0293	-0.44	8250	-305	708	-4861	8293	-288
NSE GBPUSD Fut Aug22	1.2189	1.2209	1.2120	1.2136	-0.54	3609	-2116	3884	-970	3616	-2122
NSE USDJPY Fut Aug22	133.05	133.70	132.99	133.55	0.79	1194	-576	881	-803	1235	-572

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 Aug22	79.82	79.78	79.39	79.63	79.72	79.88	79.94	80.03	79.66	79.82
NSE EURINR Future Aug22	82.14	82.21	81.53	81.92	82.03	82.32	82.49	82.60	81.78	81.60
NSE GBPINR Future Aug22	96.84	96.97	95.28	96.27	96.55	97.26	97.67	97.96	96.68	96.44
NSE JPYINR Future Aug22	59.75	59.81	59.08	59.51	59.63	59.94	60.12	60.24	59.59	59.10
NSE EURUSD Future Aug22	1.0293	1.0303	1.0203	1.0261	1.0277	1.0319	1.0345	1.0361	1.0268	1.0224
NSE GBPUSD Future Aug22	1.2136	1.2155	1.1942	1.2066	1.2101	1.2190	1.2244	1.2279	1.21376	1.2083
NSE USDJPY Future Aug22	133.55	133.41	131.57	132.70	133.13	133.84	134.12	134.55	133.69	135.08

USDINR August Month Option Distributions



- Maximum pain remains at 79 strikes with a total open interest of 6.06 lakh contracts.
- High open interest at 80CE (3.47 lakh contracts) and 79PE (4.03 lakh contracts) will act as resistance and support, respectively.
- The pair is likely to consolidate in the range of 79 to 80 and breaking 78.50 will only change the direction of the current uptrend.

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