

# HDFC securities Retail Research

## Currency Daily

18 August 2022



**Research Analyst:**

Dilip Parmar  
dilip.parmar@hdfcsec.com

### Currency Movements

Particular	Current Price	Prev. Close	Chg.	% Chg.
USDINR	79.4475	79.6550	-0.2075	-0.26%
DXY Index*	106.587	106.752	-0.1650	-0.15%
EURUSD*	1.0186	1.0159	0.0027	0.27%
GBPUSD*	1.2048	1.2070	-0.0022	-0.18%
USDJPY*	134.91	135.18	-0.27	-0.20%
USDCNH*	6.7926	6.7975	-0.0049	-0.07%
USDINR 1M FWD*	79.670	79.690	-0.0200	-0.03%
India 10 Yr. Yield	7.1820	7.2890	-0.1070	-1.47%
US 10 Yr. Yield	2.8712	2.8968	-0.0256	-0.88%

### Global Equity Markets

Particular	Current Price	Prev. Close	Chg.	% Chg.
Nifty	17944.3	17825.3	119.00	0.67%
Sensex	60260.1	59842.2	417.92	0.70%
Hang-Seng	19852.7	19922.5	-69.78	-0.35%
Nikkei	28924.8	29222.8	-297.99	-1.02%
Shanghai	3283.9	3292.5	-8.66	-0.26%
S&P Index	4274.0	4305.2	-31.16	-0.72%
Dow Jones	33980.3	34152.0	-171.69	-0.50%
Nasdaq	11593.0	11689.1	-96.18	-0.82%
FTSE	7515.8	7536.1	-20.31	-0.27%
CAC	6528.3	6592.6	-64.26	-0.97%
DAX	13626.7	13910.1	-283.41	-2.04%

### Dollar Retreats after FOMC minutes

- Indian rupee could open slightly higher following overnight weakness in the dollar index after the FOMC meeting. On Wednesday, spot USDINR ended at 79.45 with a loss of 21 paise or a quarter percentage point. In the near term, spot USDINR is expected to consolidate in the range of 79.10 to 79.85.
- A gauge of the greenback's strength trimmed gains after minutes from the Federal Open Market Committee's July meeting showed policymakers saw a slower pace of interest-rate hikes at some point.
- Asian shares fell with US futures amid worries about China's growth outlook. Key indexes in Japan and South Korea were showing losses of close to 1%. US Treasuries recovered a tad from the global bond drop triggered by a surge in UK inflation. Oil retreated after rebounding overnight on a bullish US stockpiles report.
- Treasury two-year yields pared most of their surge after the latest Federal Reserve meeting minutes showed officials signaled the potential for smaller rate hikes at one point.
- The FOMC weighed the risk of not raising rates enough to cool inflation against the danger of raising borrowing costs more than needed, causing unwarranted economic weakness. Ultimately officials agreed on the need to eventually dial back the pace of rate hikes while monitoring the effect of tightening already undertaken, minutes from the July meeting showed.
- Meanwhile, the US and Taiwan started formal negotiations on a bilateral trade initiative, a step which risks inflaming already high tensions with China.

USDINR August Futures Daily Chart



Technical Observations:

- USDINR August futures closed slightly above the upward slopping trendline adjoining the previous swing low of 78.69, 79.04 and 79.24.
- The pair is oscillating around 21 days exponential moving average (DEMA) and holding the support of 55 DEMA i.e. 79.26.
- Relative Strength Index of 14 days oscillating around 50 and given negative crossover suggesting consolidation.
- MACD is placed above zero line but flattened indicating a sideways trend.
- Long unwinding has been seen in USDINR as price and open interest declined.
- USDINR August futures could consolidate in the range of 79.30 to 79.90.

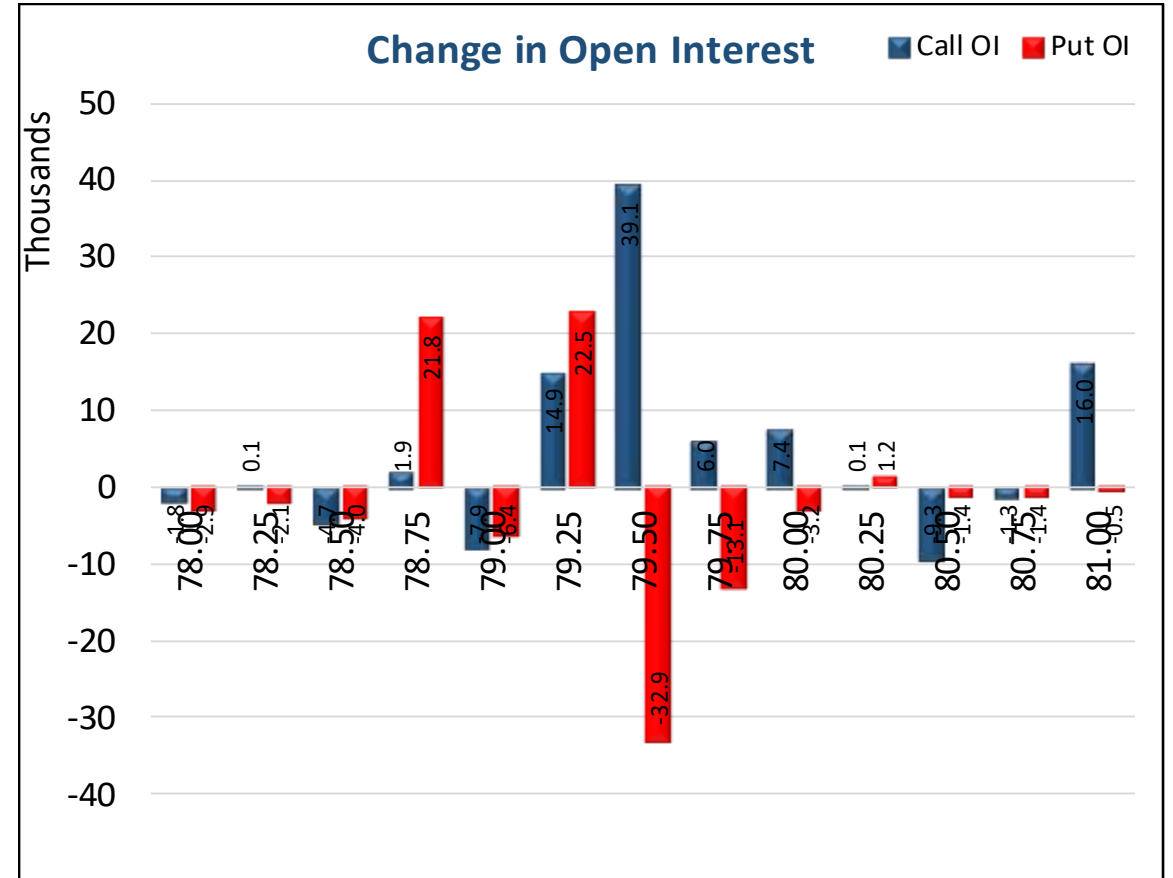
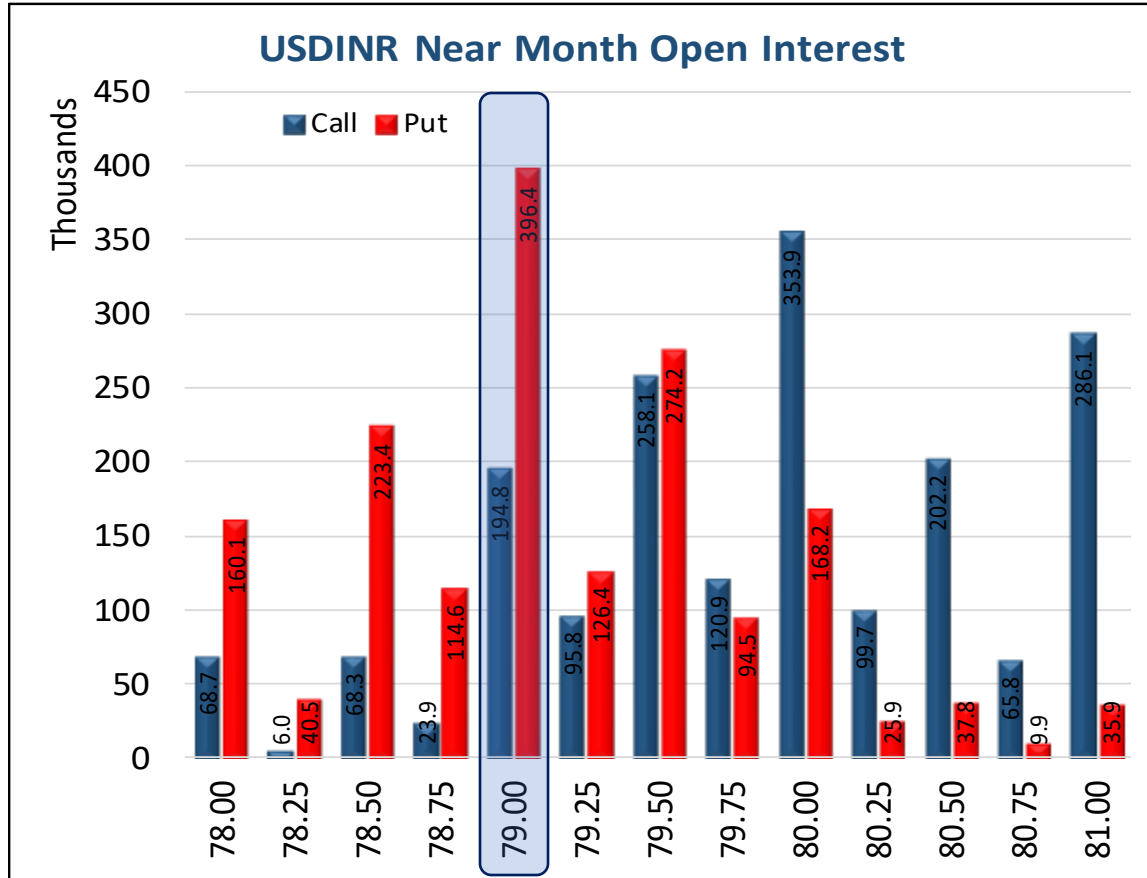
### Currency Derivative Price Actions

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	79.5200	79.5700	79.3325	79.5325	-0.35	3209201	-169750	2599894	437665	5897917	-103219
NSE EURINR Future Aug22	81.0100	81.7250	80.7475	80.9275	-1.48	110555	-32038	408018	180625	150986	-42495
NSE GBPINR Future Aug22	96.4500	96.9300	96.0350	96.1650	-0.70	88536	88536	354972	#VALUE!	124208	-1078
NSE JPYINR Future Aug22	59.2800	59.5000	58.9200	58.9650	-1.31	47313	1516	121188	18117	83528	2016
NSE EURUSD Fut Aug22	1.0210	1.0214	1.0165	1.0176	-1.14	4659	-3591	5119	4411	4773	-3520
NSE GBPUSD Fut Aug22	1.2081	1.2138	1.2081	1.2091	-0.37	2820	-789	2330	-1554	2828	-788
NSE USDJPY Fut Aug22	134.00	135.20	134.00	135.00	1.09	626	-568	1091	210	688	-547

### 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	79.53	79.48	78.86	79.24	79.39	79.62	79.72	79.86	79.69	79.78
NSE EURINR Future Aug22	80.93	81.13	78.79	80.16	80.54	81.52	82.11	82.50	81.70	81.60
NSE GBPINR Future Aug22	96.17	96.38	94.25	95.48	95.82	96.72	97.27	97.61	96.64	96.50
NSE JPYINR Future Aug22	58.97	59.13	57.76	58.55	58.76	59.34	59.71	59.92	59.44	59.15
NSE EURUSD Future Aug22	1.0176	1.0185	1.0067	1.0136	1.0156	1.0205	1.0234	1.0254	1.0254	1.0229
NSE GBPUSD Future Aug22	1.2091	1.2103	1.1967	1.2046	1.2069	1.2126	1.2160	1.2183	1.21274	1.2096
NSE USDJPY Future Aug22	135.00	134.73	131.60	133.53	134.27	135.47	135.93	136.67	134.09	134.92

USDINR August Month Option Distributions



- Maximum pain remains at 79 strikes with the total open interest of 5.91 lakh contracts vs the previous day's 6.06 lakh contracts.
- Traders might have written the OTM options as there were high open interest at 80CE (3.54 vs previous 3.47 lakh contracts) and 79PE (3.96 vs previous 4.03 lakh contracts) which will act as resistance and support in the near term.
- The pair is likely to consolidate in the range of 79 to 80 and breaking of 78.50 will only change the direction of the current uptrend.

**Disclosure:**

I, **DILIP PARMAR**, Research Analyst, (MBA), authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Research Analyst or his/her relative or HDFC Securities Ltd. **does have/ does not have** any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate **does have/does not have** any material conflict of interest.

**Any holding in stock – No**

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

**Disclaimer:**

This report has been prepared by HDFC Securities Ltd and is meant for sole use by the recipient and not for circulation. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. This document is for information purposes only. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete and this document is not, and should not be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk.

It should not be considered to be taken as an offer to sell or a solicitation to buy any security. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

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: Murlu V Karkera Email: [complianceofficer@hdfcsec.com](mailto:complianceofficer@hdfcsec.com) Phone: (022) 3045 3600

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.