

# Currency Update

November 26, 2020

## RECAP - DOMESTIC

| Currency | Expiry    | Previous | Open  | High  | Low   | Close | Net Chng. | % Chng. | OI      | % Chng. | Vol     | % Chng. |
|----------|-----------|----------|-------|-------|-------|-------|-----------|---------|---------|---------|---------|---------|
| USDINR   | 29-Dec-20 | 74.24    | 74.20 | 74.25 | 74.08 | 74.16 | -0.08     | -0.11%  | 1802289 | 16.96%  | 1910339 | 53.86%  |
| EURINR   |           | 88.20    | 88.26 | 88.44 | 88.10 | 88.14 | -0.06     | -0.07%  | 155566  | 14.65%  | 181483  | 48.66%  |
| GBPINR   |           | 99.10    | 98.90 | 99.24 | 98.62 | 98.69 | -0.41     | -0.41%  | 140483  | 6.18%   | 303540  | 141.37% |
| JPYINR   |           | 71.16    | 71.02 | 71.08 | 70.92 | 70.96 | -0.20     | -0.28%  | 30631   | 12.79%  | 41575   | -3.83%  |

Data Source: NSE

The Indian Rupee appreciated for the 4<sup>th</sup> consecutive session against the U.S. Dollar on Wednesday tracking gains in most regional currencies led by a broad dollar decline.

The Rupee ended at 73.91 to the dollar this Wednesday compared with 74.01 in the previous session.

Lack of negative news flow across global markets and the risk-on mode continued to lend support.

The offshore Chinese yuan and the Korean won led Asian currencies higher against the dollar. The dollar index slipped on Wednesday's trade adding to Tuesday's fall and lent support to local unit.

The one-year forward premium was at 3.18 rupees against 3.19 in the previous session.

The benchmark BSE Sensex and the broader NSE index fell 1.56% and 1.51%, respectively, on Wednesday.

The benchmark 5.77% bond maturing in 2030 ended at 99.14 rupees, yielding 5.89%, 99.18 rupees, yielding 5.88% at previous close.

## FPI ACTIVITY

FPI bought net \$576.64 million as on 24 November 2020. For the month of November, FPI were net buyers of a total of \$8.618 billion.

The data presented below constitutes trades conducted by FPIs/FIIIs upto the previous trading day.

| Daily Trends in FPI Investments as on 24-Nov-2020 |             |                         |                           |                               |
|---|-------------|-------------------------|---------------------------|-------------------------------|
| Reporting Date                                    | Debt/Equity | Investment Route        | Net Investment (Rs Crore) | Net Investment US(\$ million) |
| 25-Nov-20   | Equity      | Stock Exchange          | 4537.94                   | 613.44                        |
|   |             | Primary market & others | 988.27                    | 133.59                        |

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|          |  |                         |         |         |
|----------|--|-------------------------|---------|---------|
|          |  | Sub-total               | 5526.21 | 747.03  |
|          |  | Stock Exchange          | -749.43 | -101.31 |
| Debt     |  | Primary market & others | -6.00   | -0.81   |
|          |  | Sub-total               | -755.43 | -102.12 |
|          |  | Stock Exchange          | 0.00    | 0.00    |
| Debt-VRR |  | Primary market & others | 0.00    | 0.00    |
|          |  | Sub-total               | 0.00    | 0.00    |
|          |  | Stock Exchange          | -4.06   | -0.55   |
| Hybrid   |  | Primary market & others | 0.00    | 0.00    |
|          |  | Sub-total               | -4.06   | -0.55   |
|          |  | Total                   | 4766.72 | 644.36  |

Data Source: NSDL

## RECAP – INTERNATIONAL

| Currency        | Expiry | Previous | Open   | High   | Low    | Close  | Net Chng. | % Chng. |
|-----------------|--------|----------|--------|--------|--------|--------|-----------|---------|
| US Dollar Index |        | 92.23    | 92.11  | 92.26  | 91.93  | 91.99  | -0.24     | -0.26%  |
| EURUSD          | Spot   | 1.1888   | 1.1891 | 1.1931 | 1.1882 | 1.1913 | 0.0025    | 0.21%   |
| GBPUSD          |        | 1.3356   | 1.3362 | 1.3395 | 1.3304 | 1.3382 | 0.0026    | 0.19%   |
| USDJPY          |        | 104.43   | 104.43 | 104.61 | 104.25 | 104.45 | 0.02      | 0.02%   |

Data Source: Investing.com

The U.S. dollar extended losses on Wednesday even as risk asset classes took a breather after U.S. data showed a less-than-rosy economic picture.

The number of Americans filing first-time claims for jobless benefits increased further last week, suggesting that an explosion in new COVID-19 infections and business restrictions were boosting layoffs and undermining the labour market recovery.

Meanwhile, U.S. Federal Reserve policymakers discussed how the central bank's asset purchases could be adjusted to provide more support to markets and the economy during the November policy setting meeting.

The Euro, the Sterling and the Yen rose against the U.S. Dollar on Wednesday amid broad greenback weakness.

## OUTLOOK – DOMESTIC & INTERNATIONAL CURRENCY

The Indian Rupee could start this Thursday on a stronger note against the Greenback as the Dollar extended losses this Thursday.

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The Rupee could likely open around 73.85-73.86 per dollar compared with 73.91 at close on Wednesday.

Meanwhile, NDF is at 73.78/73.79 this Thursday morning.

Foreign fund inflows into the domestic equity markets could also help the local unit. However, these flows are being continuously mopped up by the central bank and could cap gains in the currency.

Lack any major cues from the U.S. could keep the currency in a small trading range today as U.S. markets are shut today on Thanksgiving holiday.

The major trigger point for the currency markets could come on Friday as investors awaited economic growth data for the second quarter.

Technically, USDINR Spot holds a resistance of 100-Daily Moving Average which is placed at 74.12 levels and is sustaining below that level indicating sideways momentum to continue where it hold a support near 73.75-73.70 levels. Resistance is at 74.00-74.10.

USDINR Spot is expected to trade in a range of 73.70-74.10 levels.

## Pivot Points

| Currency | Expiry    | Close | S3    | S2    | S1    | Pivot | R1    | R2    | R3    |
|----------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|
| USDINR   |           | 74.16 | 73.90 | 73.99 | 74.07 | 74.16 | 74.25 | 74.34 | 74.42 |
| EURINR   | 29-Dec-20 | 88.14 | 87.67 | 87.89 | 88.01 | 88.23 | 88.35 | 88.57 | 88.69 |
| GBPINR   |           | 98.69 | 97.84 | 98.23 | 98.46 | 98.85 | 99.08 | 99.47 | 99.70 |
| JPYINR   |           | 70.96 | 70.74 | 70.83 | 70.90 | 70.99 | 71.06 | 71.15 | 71.22 |

Data Source: NSE

## Trend

| Currency                   | Exchange | Daily   | Weekly  | Monthly | 1 Week | 1 Month | YTD   | 1 Year | 3 Years |
|----------------------------|----------|---------|---------|---------|--------|---------|-------|--------|---------|
| USD/INR Futures Continuous |          | Bearish | Bullish | Bullish | -0.17% | 0.56%   | 3.66% | 3.92%  | 14.92%  |
| EUR/INR Futures Continuous |          | Bullish | Bullish | Bullish | 0.31%  | 0.98%   | 9.68% | 12.17% | 14.44%  |
| GBP/INR Futures Continuous |          | Bullish | Bullish | Bullish | 0.42%  | 2.66%   | 4.70% | 7.70%  | 14.68%  |
| JPY/INR Futures Continuous |          | Bearish | Bullish | Bullish | -0.50% | 0.74%   | 7.60% | 8.55%  | 22.37%  |

Data Source: Investing.com

US Dollar Index extended losses this Thursday morning in Asian trade.

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U.S. markets are shut this Thursday on Thanksgiving holiday.

The Euro and the Sterling were trading flat to marginally higher against the U.S. Dollar this Thursday morning in Asian trade.

The Japanese Yen was strong against the U.S. Dollar this Thursday morning.

## Pivot Points

| Currency | Expiry | Close  | S3     | S2     | S1     | Pivot  | R1     | R2     | R3     |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| DXY      |        | 91.99  | 91.53  | 91.73  | 91.86  | 92.06  | 92.19  | 92.39  | 92.52  |
| EURO     |        | 1.1913 | 1.1837 | 1.1860 | 1.1886 | 1.1909 | 1.1935 | 1.1958 | 1.1984 |
| Sterling | SPOT   | 1.3382 | 1.3235 | 1.3269 | 1.3326 | 1.3360 | 1.3417 | 1.3451 | 1.3508 |
| Yen      |        | 104.45 | 103.90 | 104.08 | 104.26 | 104.44 | 104.62 | 104.80 | 104.98 |

Data Source: Investing.com

## Trend

| Currency        | Exchange | Daily    | Weekly  | Monthly | 1 Week | 1 Month | YTD    | 1 Year | 3 Years |
|-----------------|----------|----------|---------|---------|--------|---------|--------|--------|---------|
| US Dollar Index |          | Bearish  | Bearish | Bearish | -0.38% | -1.08%  | -4.62% | -6.54% | -1.03%  |
| EUR/USD         | Spot     | Bullish  | Bullish | Bullish | 0.43%  | 1.09%   | 6.35%  | 8.41%  | 0.22%   |
| GBP/USD         |          | Bullish  | Bullish | Bullish | 0.98%  | 2.67%   | 1.00%  | 3.64%  | 0.55%   |
| USD/JPY         |          | Sideways | Bearish | Bearish | 0.57%  | -0.09%  | -3.97% | -4.79% | -6.10%  |

Data Source: Investing.com

## ECONOMIC CALENDAR

| Date        | Time (IST) | Country  | Relevance | Event               | Period | Forecast | Previous |
|-------------|------------|----------|-----------|---------------------|--------|----------|----------|
| 26 Nov 2020 | 17:00      | Eurozone | High      | ECB Meeting Minutes |        |          |          |

Data Source: Investing.com

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