

Currency Update

December 17, 2020

RECAP - DOMESTIC

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.	OI	% Chng.	Vol	% Chng.
USDINR	29-Dec-20	73.68	73.62	73.72	73.55	73.68	Unch	-	3931162	13.87%	2441317	86.39%
EURINR		89.57	89.50	89.89	89.42	89.79	0.22	0.25%	208195	-2.04%	189161	23.32%
GBPINR		98.28	98.85	99.55	98.50	99.48	1.19	1.22%	168935	55.40%	512764	10.80%
JPYINR		70.86	70.99	71.35	70.99	71.27	0.41	0.58%	30591	8.87%	50575	52.15%

Data Source: NSE

The Indian Rupee ended with marginal gains against the U.S. currency on Wednesday tracking the weakness of the dollar index and foreign fund inflows.

The Rupee ended at 73.57 to the dollar compared with 73.64 in the previous session.

The Dollar Index was down 0.32% at 90.18 this Wednesday afternoon trade in Asia lingering near its lowest level in over two years.

Meanwhile, risk appetite improved in the market amid report of progress on reaching a deal on the coronavirus relief bill in the U.S. House of Representatives.

Asian currencies were mostly higher this Wednesday and lent support.

The one-year forward premium was at 3.21 rupees against 3.18 rupees in the previous session.

The benchmark BSE Sensex and the broader NSE index rose for the fourth straight session and gained 0.87% and 0.85%, respectively on Wednesday.

The benchmark 5.77% bond maturing in 2030 ended at 98.73 rupees, yielding 5.94%, against 98.75 rupees, yielding 5.94%, at previous close.

FPI ACTIVITY

FPI bought net \$18.45 million as on 15 December 2020.

The data presented in the table constitutes trades conducted by FPIs/FIs upto the previous trading day.

Currency Update

December 17, 2020

For the month of December, FPI were net buyers of a total of \$5.452 billion.

From the month of March 2020 FPI were net buyers of a total of \$10.342 billion.

Daily Trends in FPI Investments as on 15-Dec-2020				
Reporting Date	Debt/Equity	Investment Route	Net Investment (Rs Crore)	Net Investment US(\$ million)
16-Dec-20	Equity	Stock Exchange	2315.03	314.31
		Primary market & others	-4.10	-0.56
		Sub-total	2310.93	313.75
	Debt	Stock Exchange	-442.95	-60.14
		Primary market & others	-209.59	-28.46
		Sub-total	-652.54	-88.60
	Debt-VRR	Stock Exchange	-50.43	-6.85
		Primary market & others	-1468.61	-199.40
		Sub-total	-1519.04	-206.25
	Hybrid	Stock Exchange	-3.32	-0.45
		Primary market & others	0.00	0.00
		Sub-total	-3.32	-0.45
		Total	136.03	18.45

Data Source: NSDL

RECAP – INTERNATIONAL

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.
US Dollar Index		90.47	90.49	90.70	90.13	90.45	-0.02	-0.02%
EURUSD		1.2151	1.2152	1.2213	1.2125	1.2197	0.0046	0.38%
GBPUSD	Spot	1.3461	1.3460	1.3554	1.3434	1.3507	0.0046	0.34%
USDJPY		103.66	103.67	103.92	103.26	103.48	-0.18	-0.17%

Data Source: Investing.com

The Dollar recovered from the lows of the session, but still ended weak in a choppy trading session after the Federal Reserve disappointed investors expecting a shift toward more purchases of longer-dated bonds.

The U.S. Federal Reserve pledged to keep its benchmark interest rate near zero until an economic recovery is complete.

Fed Chair Jerome Powell said in a news conference the U.S. economy might take continued support from both fiscal, monetary policy for recovery would not hesitate to expand support if necessary.

Currency Update

December 17, 2020

However, his comments did not provide any indication that the Fed would at some point either increase the pace or type of government bonds it is buying currently at a rate of \$120 billion per month.

The Euro rose against the U.S. Dollar on Wednesday on broad Greenback weakness.

The Sterling also ended with gains against the U.S. Dollar on Wednesday supported by positive soundings from the European Union on Brexit talks.

The EU's chief executive said that she could not say if there would be a trade deal with Britain but there had been progress and the next few days would be critical.

The Japanese Yen ended strong against the U.S. Dollar on Wednesday on broad Greenback weakness.

OUTLOOK – DOMESTIC & INTERNATIONAL CURRENCY

The Indian Rupee could start this Thursday on a flat note against the U.S. Dollar.

However, weak U.S. Dollar and optimism surrounding the U.S. stimulus aid package could lift sentiments.

Asian currencies were strong this Thursday morning and could cap losses for the domestic unit. However, RBI could be present in the markets to cap gains.

So, the Rupee could likely open around 73.60-73.62 per dollar compared with 73.57 at close on Wednesday.

The Rupee's trend for the day is range bound.

Meanwhile, NDF is at 73.58/73.59 this Thursday morning vs a close of 73.544 on Wednesday.

Technically, the USDINR Spot pair still holds a strong support near 73.40 levels from where it has bounced back and started trading above 73.55 levels indicating sideways momentum to continue in coming session where breakout above 73.70 levels could see a bullish momentum.

The USDINR Spot pair is expected to trade in a range of 73.45-73.80 levels.

Currency Update

December 17, 2020

Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
USDINR		73.68	73.42	73.48	73.58	73.65	73.75	73.82	73.92
EURINR		89.79	89.03	89.22	89.51	89.70	89.98	90.17	90.46
GBPINR	29-Dec-20	99.48	97.75	98.13	98.80	99.18	99.85	100.23	100.90
JPYINR		71.27	70.70	70.85	71.06	71.20	71.41	71.56	71.77

Data Source: NSE

Trend

Currency	Exchange	Daily	Weekly	Monthly	1 Week	1 Month	YTD	1 Year	3 Years
USD/INR Futures Continuous		Bearish	Bearish	Bullish	-0.18%	-0.75%	2.99%	3.66%	14.62%
EUR/INR Futures Continuous		Bullish	Bullish	Bullish	0.63%	1.92%	11.77%	13.43%	18.36%
GBP/INR Futures Continuous		Bullish	Bullish	Bullish	1.34%	0.94%	5.52%	6.74%	15.86%
JPY/INR Futures Continuous		Bullish	Bullish	Bullish	0.91%	-0.19%	8.10%	9.63%	24.79%

Data Source: Investing.com

US Dollar Index extended losses against the basket of currencies this Thursday morning in Asian trade as progress toward agreeing a U.S. stimulus package and a Brexit deal boosted risk appetite at the expense of the safest assets.

The Euro, the Sterling and the Japanese Yen were stronger against the U.S. Dollar this Thursday morning in Asian trade.

Markets will look ahead to cues from the BoE monetary policy meeting today and jobless claims data.

Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
DXY		90.45	89.58	89.86	90.15	90.43	90.72	91.00	91.29
EURO	SPOT	1.2197	1.2056	1.2090	1.2144	1.2178	1.2232	1.2266	1.2320
Sterling		1.3507	1.3323	1.3378	1.3443	1.3498	1.3563	1.3618	1.3683
Yen		103.48	102.53	102.89	103.19	103.55	103.85	104.21	104.51

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	-0.62%	-2.23%	-6.36%	-7.33%	-3.66%
EUR/USD	Spot	Bullish	Bullish	Bullish	0.46%	2.87%	8.74%	9.71%	3.48%
GBP/USD		Bullish	Bullish	Bullish	1.62%	1.81%	1.89%	3.31%	0.95%
USD/JPY		Bearish	Bearish	Bearish	-0.74%	-0.39%	-4.78%	-5.57%	-8.10%

Data Source: Investing.com

Currency Update

December 17, 2020

ECONOMIC CALENDAR

Date	Time (IST)	Country	Relevance	Indicator Name	Period	Reuters Poll	Prior	
17 Dec 2020	15:30	Euro Zone	High	HICP Final MM	Nov	-0.3%	0.2%	
	15:30			HICP Final YY	Nov	-0.3%	-0.3%	
	17:30	United Kingdom		BOE Bank Rate	Dec		0.10%	
	19:00	United States		Housing Starts Number	Nov	1.530M	1.530M	
	19:00			Initial Jobless Claims	12 Dec, w/e	800k	853k	
	19:00			Philly Fed Business Index	Dec	20.0	26.3	

Data Source: Investing.com

Currency Update

December 17, 2020

General Disclaimers

As part of regulatory requirement you are required to update your following KYC details with us:

Correspondence Address | Mobile Number | Email Id | Annual Income

To update above details login to your online trading account or send Email/Letter along with the Pan Card copy or visit any of our branches. Kindly quote your client code and PAN while sending the aforesaid KYC update.

General Disclaimers: This document is meant for the customers of Reliance Securities Limited only. In case you are a non-resident, please note that you need to comply with the relevant local laws of the country of your residence, before investing. Mutual Funds and securities investments are subject to market risks, and there is no assurance or guarantee that the objectives of the Scheme will be achieved. As with any investment in securities, the Net Asset Value (NAV) of the Units issued by Mutual Fund Schemes can go up or down depending on the factors and forces affecting the securities market. There are no assurances or guarantees that the objectives of any of the mutual fund schemes will be achieved. The investments may not be suited to all categories of investors. Please read the Scheme Information Document and Statement of Additional Information of the respective mutual fund carefully before investing.

The views herein constitute only the opinions and do not constitute any guidelines or recommendation on any course of action to be followed by the readers. This information is meant for general reading purpose only and is not meant to serve as a professional investment guide for the readers. This document has been prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. Reliance Securities Limited (RSL) or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information.

Due care has been taken to ensure that the disclosures and opinions given fair and reasonable. No action has been solicited based upon the information provided herein, and the information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed investment decision before making any investments.

None of the directors, employees, affiliates or representatives of RSL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information contained in this material. RSL, the directors, employees, affiliates or representatives of RSL, associate companies, affiliates, and representatives including persons involved in the preparation or issuance of this material may from time to time, have long or short positions in, and buy or sell the securities thereof, of company(ies) / specific economic sectors / mutual funds, if mentioned herein.

Risks: Trading and investment in securities are subject market risks. There are no assurances or guarantees that the objectives of any of trading / investment in securities will be achieved. The trades/ investments referred to herein may not be suitable to all categories of traders/investors. The names of securities mentioned herein do not in any manner indicate their prospects or returns. The value securities referred to herein may be adversely affected by the performance or otherwise of the respective issuer companies, changes in the market conditions, micro and macro factors and forces affecting capital markets like interest rate risk, credit risk, liquidity risk and reinvestment risk. Derivative products may also be affected by various risks including but not limited to counter party risk, market risk, valuation risk, liquidity risk and other risks. Besides the price of the underlying asset, volatility, tenor and interest rates may affect the pricing of derivatives.

Disclaimers in respect of jurisdiction: The possession, circulation and/or distribution of this Report may be restricted or regulated in certain jurisdictions by appropriate laws. No action has been or will be taken by RSL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. RSL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to RSL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Disclosure of Interest: The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the securities and their respective issuers. Neither RSL nor the research analysts did have any known direct /indirect conflict of interest including any long/short position(s) in any specific security on which views/opinions have been made, during the preparation of this Report.

Copyright: The copyright in this Report belongs exclusively to RSL. This Report shall only be read by those persons to whom it has been delivered. No reprinting, reproduction, copying, distribution of this Report in any manner whatsoever, in whole or in part, is permitted without the prior express written consent of RSL.

Important these disclaimers, risks and other disclosures must be read in conjunction with the information / opinions / views of which they form part of.

ISO 9001:2008: Reliance Securities Limited holds a certificate issued by BSI Management System India Pvt. Ltd to the effect that it operates a Quality Management System that complies with the requirements of ISO 9001:2008 for providing equity & equity derivative trading services through online trading system. Investment in securities market is subject to market risk. Please read the risk disclosure document before investing. Reliance Securities is a distributor for MF, IPO, Bonds, NCDs and Corporate FDs.

Registered Office: Reliance Securities Limited, 11th Floor, R Tech IT Park, Western Express Highway, Goregaon East, Mumbai - 400063, Nirlon Compound, Near Hub Mall, Behind Oracle Building, CIN: U65990MH2005PLC154052. (SEBI registration No. INH000002384; NSE - INB / INF / INE 231234833; BSE - INB / INF / INE 011234839; AMFI ARN No.29889; CDSL - IN-DP-CDSL-357-2006; NSDL -IN-DP-NSDL-363-2013)