

# Currency Update

December 02, 2020

## RECAP - DOMESTIC

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.	OI	% Chng.	Vol	% Chng.
USDINR	29-Dec-20	74.20	74.20	74.20	73.65	73.88	-0.33	-0.44%	2644681	12.60%	3727728	37.66%
EURINR		88.47	88.60	88.69	88.07	88.36	-0.11	-0.12%	169791	-7.39%	212427	27.05%
GBPINR		98.87	99.01	99.09	98.43	98.55	-0.33	-0.33%	121405	-16.56%	330193	45.25%
JPYINR		71.27	71.26	71.26	70.60	70.75	-0.52	-0.73%	28745	-19.76%	83383	43.83%

Data Source: NSE

The Indian Rupee appreciated against the U.S. Dollar this Tuesday supported by inflows into the domestic equity markets and absence of the central bank from the market.

Persistent dollar sales by foreign banks, weak U.S. Dollar and upbeat risk appetite in Asia further contributed to the currency's gains this Tuesday.

The Rupee ended at 73.68 to the dollar compared with 74.05 in the previous session.

Briefly the currency had risen to 73.44 earlier in the session, the highest since Oct. 21.

The key triggers for the market this month will be RBI's monetary policy meeting this week and the FOMC meeting this month.

The one-year forward premium was at 3.19 rupees against 3.15 rupees in the previous session.

The benchmark BSE Sensex and the broader NSE index ended at record highs after rising 1.15% and 1.08%, respectively on Tuesday.

The benchmark 5.77% bond maturing in 2030 ended at 98.82 rupees, yielding 5.93% against 98.96 rupees and 5.91% yield at previous close.

## FPI ACTIVITY

FPI bought net \$1.152 billion as on 27 November 2020. For the month of November, FPI were net buyers of a total of \$9.762 billion.

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

# Currency Update

December 02, 2020

Daily Trends in FPI Investments as on 27-Nov-2020				
Reporting Date	Debt/Equity	Investment Route	Net Investment (Rs Crore)	Net Investment US(\$ ) million
01-Dec-20	Equity	Stock Exchange	9132.13	1237.44
		Primary market & others	0.47	0.06
		Sub-total	9132.60	1237.50
	Debt	Stock Exchange	-440.44	-59.68
		Primary market & others	-161.90	-21.94
		Sub-total	-602.34	-81.62
	Debt-VRR	Stock Exchange	-22.30	-3.02
		Primary market & others	-0.30	-0.04
		Sub-total	-22.60	-3.06
	Hybrid	Stock Exchange	-4.35	-0.59
		Primary market & others	0.00	0.00
		Sub-total	-4.35	-0.59
	Total		8503.31	1152.23

Data Source: NSDL

## RECAP – INTERNATIONAL

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.
US Dollar Index	Spot	91.87	91.94	91.94	91.16	91.19	-0.68	-0.74%
EURUSD		1.1928	1.1928	1.2077	1.1926	1.2070	0.0142	1.19%
GBPUSD		1.3321	1.3325	1.3442	1.3314	1.3415	0.0094	0.71%
USDJPY		104.27	104.32	104.59	104.18	104.30	0.03	0.03%

Data Source: Investing.com

The Dollar crashed on Tuesday to its lowest level in more than 2-1/2 years, as investors' appetite for risk increased on prospects of further fiscal stimulus from the United States as well as expectations of a solid global recovery.

News of a proposed COVID bill sank the dollar further, as did the resumption of talks between U.S. Treasury Secretary Steve Mnuchin and House of Representatives Speaker Nancy Pelosi on Tuesday about a stimulus package.

The proposed relief bill of \$908 billion would fund measures through March 31, including \$228 billion in additional pay check protection funds for hotels, restaurants and other small businesses.

The Euro and the Sterling rose against the U.S. Dollar on Tuesday, while the Yen ended flat against the U.S. Dollar on Tuesday.

# Currency Update

December 02, 2020

## OUTLOOK – DOMESTIC & INTERNATIONAL CURRENCY

The Indian Rupee could start this Wednesday on a strong note against the U.S. Dollar, after the Greenback took a tumble on Tuesday's session as investor appetite for risk increased on the prospects of further fiscal stimulus from the United States.

The Rupee could likely open around 73.50-73.52 per dollar compared with 73.68 at close on Tuesday.

Meanwhile, NDF is at 73.50/73.51 this Wednesday morning vs a close of 73.38 on Tuesday.

Markets will now await the conclusion of the RBI monetary policy meeting.

Technically, USDINR Spot pair has bounced back from \$73.44 levels but is still sustaining below 50-Daily Moving Average (DMA) at 73.84 levels indicating Bearish sentiment to continue below the DMA.

Support is at 73.50-73.73.19 levels. Resistance is at 73.75-73.95 levels.

USDINR Spot pair is expected to trade in a range of 73.30-73.85 levels.

### Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
USDINR	29-Dec-20	73.88	73.07	73.36	73.62	73.91	74.16	74.45	74.71
EURINR		88.36	87.44	87.76	88.06	88.37	88.68	88.99	89.29
GBPINR		98.55	97.63	98.03	98.29	98.69	98.95	99.35	99.61
JPYINR		70.75	69.82	70.21	70.48	70.87	71.14	71.53	71.81

Data Source: NSE

### Trend

Currency	Exchange	Daily	Weekly	Monthly	1 Week	1 Month	YTD	1 Year	3 Years
USD/INR Futures Continuous	NSE	Bearish	Sideways	Bullish	-0.12%	-0.85%	3.28%	2.85%	14.29%
EUR/INR Futures Continuous		Bullish	Bullish	Bullish	0.43%	1.32%	10.00%	10.96%	15.38%
GBP/INR Futures Continuous		Bullish	Bullish	Bullish	-0.12%	1.80%	4.54%	5.66%	13.34%
JPY/INR Futures Continuous		Bearish	Bullish	Bullish	0.00%	-0.50%	7.31%	7.08%	22.89%

Data Source: Investing.com

US Dollar Index was flat to marginally weaker against the basket of currencies this Wednesday morning in Asian trade amid talks of possibility of more U.S. fiscal support.

# Currency Update

December 02, 2020

Federal Reserve Chair Jerome Powell highlighted challenges of production and mass distribution before the economic impact of a vaccine becomes clear.

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

The Japanese Yen was flat against the U.S. Dollar this Wednesday morning.

## Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
DX	SPOT	91.19	90.14	90.65	90.92	91.43	91.70	92.21	92.48
EURO		1.2070	1.1821	1.1873	1.1972	1.2024	1.2123	1.2175	1.2274
Sterling		1.3415	1.3211	1.3262	1.3339	1.3390	1.3467	1.3518	1.3595
Yen		104.30	103.71	103.95	104.12	104.36	104.53	104.77	104.94

Data Source: Investing.com

## Trend

Currency	Exchange	Daily	Weekly	Monthly	1 Week	1 Month	YTD	1 Year	3 Years
US Dollar Index	Spot	Bearish	Bearish	Bearish	-0.85%	-2.50%	-5.37%	-6.68%	-1.81%
EUR/USD		Bullish	Bullish	Bullish	1.27%	3.01%	7.60%	8.85%	1.45%
GBP/USD		Bullish	Bullish	Bullish	0.31%	2.80%	1.24%	3.32%	-0.37%
USD/JPY		Bearish	Bearish	Bearish	-0.07%	-0.08%	-3.90%	-3.92%	-6.90%

Data Source: Investing.com

## ECONOMIC CALENDAR

Date	Time (IST)	Country	Relevance	Event	Period	Forecast	Previous
2 Dec 2020	18:45	United States	High	ADP Nonfarm Employment Change	Nov	410K	365K
	20:30		High	Factory Orders MM	Dec		1.10%
	20:30		High	Fed Chair Powell Testifies			
	21:00		High	Crude Oil Inventories		-2.358M	-0.754M
	21:00		High	Cushing Crude Oil Inventories			-1.721M
	23:30		High	FOMC Member Williams Speaks			

Data Source: Investing.com

# Currency Update

December 02, 2020

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