

Currency Update

December 16, 2020

RECAP - DOMESTIC

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.	OI	% Chng.	Vol	% Chng.
USDINR	29-Dec-20	73.65	73.67	73.78	73.66	73.68	0.02	0.03%	3452231	-0.85%	1309775	-20.23%
EURINR		89.49	89.55	89.65	89.46	89.57	0.08	0.08%	212538	2.24%	153392	-7.17%
GBPINR		98.87	98.46	98.46	97.98	98.28	-0.59	-0.60%	108712	-25.72%	462791	-8.16%
JPYINR		70.99	70.99	70.99	70.76	70.86	-0.13	-0.19%	28099	5.69%	33241	-14.93%

Data Source: NSE

The Indian Rupee depreciated marginally against the dollar this Tuesday tracking weakness in most regional currencies as risk appetite waned as many countries are imposing fresh Covid-19 restrictions which could derail a global economic recovery.

The Rupee ended at 73.64 to the dollar compared with 73.58 close on Monday.

Investors also refrained themselves from taking large positions ahead of the Fed monetary policy decision.

Along with Fed, we have the BoE and BoJ monetary policies this week and their forward guidance on the respective economies will be keenly awaited.

In other news, S&P Global Ratings today revised its prediction for India's economic contraction to 7.7% from 9.0% earlier on rising demand and falling coronavirus infection rates.

The one-year forward premium was at 3.18 rupees against 3.20 rupees in the previous session.

The benchmark BSE Sensex and the broader NSE index ended largely unchanged in a choppy trading session on Tuesday.

The benchmark 5.77% bond maturing in 2030 ended at 98.75 rupees, yielding 5.94%, against 98.71 rupees, yielding 5.95%, at previous close.

Data showed that India's trade deficit in November totalled \$9.87 billion, the highest since January. It narrowed from \$12.75 billion in the same month last year but widened from \$8.71 billion in October.

Exports fell 8.74% from a year earlier in November to \$23.52 billion, while, imports were at \$33.39 billion last month, down 13.32%.

Currency Update

December 16, 2020

FPI ACTIVITY

FPI bought net \$670.65 million as on 14 December 2020.

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

For the month of December, FPI were net buyers of a total of \$5.433 billion.

From the month of March 2020 FPI were net buyers of a total of \$10.324 billion.

Daily Trends in FPI Investments as on 14-Dec-2020				
Reporting Date	Debt/Equity	Investment Route	Net Investment (Rs Crore)	Net Investment US(\$) million
15-Dec-20	Equity	Stock Exchange	2650.09	360.35
		Primary market & others	827.18	112.48
		Sub-total	3477.27	472.83
	Debt	Stock Exchange	1716.82	233.45
		Primary market & others	-34.54	-4.70
		Sub-total	1682.28	228.75
	Debt-VRR	Stock Exchange	0.00	0.00
		Primary market & others	-230.00	-31.27
		Sub-total	-230.00	-31.27
	Hybrid	Stock Exchange	2.47	0.34
		Primary market & others	0.00	0.00
		Sub-total	2.47	0.34
		Total	4932.02	670.65

Data Source: NSDL

RECAP – INTERNATIONAL

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.
US Dollar Index	Spot	90.71	90.69	90.82	90.42	90.47	-0.24	-0.26%
EURUSD		1.2143	1.2143	1.2170	1.2121	1.2151	0.0008	0.07%
GBPUSD		1.3322	1.3323	1.3470	1.3280	1.3461	0.0139	1.04%
USDJPY		104.03	104.04	104.15	103.60	103.66	-0.37	-0.36%

Data Source: Investing.com

The Dollar extended losses on Tuesday as investors hoped that a \$1.4 trillion U.S stimulus covid-19 aid package could be passed.

Currency Update

December 16, 2020

Risk appetite improved as vaccine roll-outs expanded and as Moderna Inc's COVID-19 vaccine appears set for regulatory authorisation in the United States this week.

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

The Sterling also ended with gains against the U.S. Dollar on Tuesday on Brexit deal hopes.

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

OUTLOOK – DOMESTIC & INTERNATIONAL CURRENCY

The Indian Rupee could start this Wednesday on a strong note against the U.S. Dollar, tracking the weakness of the Greenback.

The U.S Dollar continued to struggle near the 2 year lows as risk appetite improved supported by vaccine roll-out expansion and hopes of passage of a massive U.S. stimulus aid this week.

Asian currencies were weak this Wednesday morning and could cap gains for the domestic unit.

Additionally, RBI could be present in the markets to cap gains.

So, the Rupee could likely open around 73.48-73.50 per dollar compared with 73.64 at close on Tuesday.

However, after the brief strong opening some depreciation can be expected as most markets await the conclusion of the U.S. Fed meeting tonight.

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

Meanwhile, NDF is at 73.56 this Wednesday morning vs a close of 73.46 on Tuesday.

Technically, the USDINR Spot pair ended on flat note in a very narrow range where it is holding a strong support near 73.40 levels and holding below a strong resistance of 73.75 levels indicating sideways momentum in the counter.

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

Currency Update

December 16, 2020

Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
USDINR	29-Dec-20	73.68	73.51	73.59	73.63	73.71	73.75	73.82	73.87
EURINR		89.57	89.28	89.37	89.47	89.56	89.66	89.75	89.84
GBPINR		98.28	97.54	97.76	98.02	98.24	98.49	98.71	98.97
JPYINR		70.86	70.52	70.64	70.75	70.87	70.98	71.10	71.21

Data Source: NSE

Trend

Currency	Exchange	Daily	Weekly	Monthly	1 Week	1 Month	YTD	1 Year	3 Years
USD/INR Futures Continuous	NSE	Bearish	Bearish	Bullish	-0.07%	-1.11%	2.98%	3.64%	14.86%
EUR/INR Futures Continuous		Bullish	Bullish	Bullish	0.23%	1.23%	11.46%	12.85%	18.11%
GBP/INR Futures Continuous		Bearish	Bullish	Bullish	-0.83%	-0.36%	4.28%	4.77%	14.20%
JPY/INR Futures Continuous		Sideways	Bullish	Bullish	0.10%	-0.77%	7.48%	9.10%	23.81%

Data Source: Investing.com

US Dollar Index was trading flat this Wednesday morning in Asian trade ahead of the Fed meeting tonight.

Policymakers are expected to keep the key overnight interest rate pinned near zero and signal it will stay there for years to come, a decision that analysts say will further boost investors' risk sentiment.

Markets also expect new guidance on how long the Fed will keep up its massive bond-buying program.

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

Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
DX	SPOT	90.47	89.92	90.17	90.32	90.57	90.72	90.97	91.12
EURO		1.2151	1.2076	1.2098	1.2125	1.2147	1.2174	1.2196	1.2223
Sterling		1.3461	1.3147	1.3214	1.3337	1.3404	1.3527	1.3594	1.3717
Yen		103.66	102.91	103.25	103.46	103.80	104.01	104.35	104.56

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	-0.61%	-2.04%	-6.08%	-6.88%	-3.62%
EUR/USD		Bullish	Bullish	Bullish	0.57%	2.44%	8.37%	8.97%	3.37%
GBP/USD		Bullish	Bullish	Bullish	0.30%	1.47%	1.33%	2.35%	0.86%
USD/JPY		Bearish	Bearish	Bearish	-0.52%	-0.48%	-4.56%	-5.31%	-7.91%

Data Source: Investing.com

Currency Update

December 16, 2020

ECONOMIC CALENDAR

Date	Time (IST)	Country	Relevance	Indicator Name	Period	Reuters Poll	Prior
16 Dec 2020	12:30	United Kingdom	High	CPI YY	Nov	0.6%	0.7%
	15:00			Flash Composite PMI	Dec	51.3	49.0
	15:00			Flash Manufacturing PMI	Dec	55.9	55.6
	15:00			Flash Services PMI	Dec	50.5	47.6
	19:00			Retail Sales MM	Nov	-0.3%	0.3%
	0:30	United States		FOMC Economic Projections			
	0:30			FOMC Statement			
	0:30			Fed Interest Rate Decision	Dec	0.25%	0.25%
	1:00			FOMC Press Conference			

Data Source: Investing.com

Currency Update

December 16, 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)