

# Currency Update

December 09, 2020

## RECAP - DOMESTIC

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.	OI	% Chng.	Vol	% Chng.
USDINR	29-Dec-20	74.06	74.04	74.04	73.68	73.74	-0.32	-0.44%	3481397	3.12%	1813567	-1.40%
EURINR		89.65	89.23	89.66	89.23	89.33	-0.32	-0.35%	215623	-6.58%	159251	-14.31%
GBPINR		98.23	98.67	98.80	98.31	98.37	0.14	0.15%	129951	-8.39%	353125	-26.97%
JPYINR		71.07	71.06	71.13	70.81	70.86	-0.21	-0.30%	25644	0.23%	30503	-18.79%

Data Source: NSE

The Indian Rupee appreciated against the U.S. currency on the back of surging dollar inflows into local equities.

However, possible central bank intervention to mop up dollar inflows trimmed gains on the local unit.

Foreign investors have pumped in over \$2 billion in December in equities, after bringing in over \$9 billion in November.

The Rupee ended at 73.52 to the dollar compared with 73.90 in the previous session.

Asian currencies were mixed, but Chinese Yuan extended gains this Tuesday and lent support.

The one-year forward premium was at 3.22 rupees against 3.21 rupees in the previous session.

The benchmark BSE Sensex and the broader NSE index rose for the sixth day in a row to end at record highs, gaining 0.40% and 0.28%, respectively on Tuesday.

The benchmark 5.77% bond maturing in 2030 ended at 98.76 rupees, yielding 5.94%, its highest level since Oct. 19, against 98.87 rupees, yielding 5.92% on Monday.

## FPI ACTIVITY

FPI bought net \$446.72 million as on 07 December 2020.

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

For the month of December, FPI were net buyers of a total of \$2.137 billion.

# Currency Update

December 09, 2020

Since the month of March 2020 FPI were net buyers of a total of \$7.028 billion.

Daily Trends in FPI Investments as on 07-Dec-2020				
Reporting Date	Debt/Equity	Investment Route	Net Investment (Rs Crore)	Net Investment US(\$ million)
08-Dec-20	Equity	Stock Exchange	3735.85	506.45
		Primary market & others	-321.43	-43.57
		Sub-total	3414.42	462.88
	Debt	Stock Exchange	-69.35	-9.40
		Primary market & others	-110.49	-14.98
		Sub-total	-179.84	-24.38
	Debt-VRR	Stock Exchange	83.35	11.30
		Primary market & others	-20.50	-2.78
		Sub-total	62.85	8.52
	Hybrid	Stock Exchange	-2.24	-0.30
		Primary market & others	0.00	0.00
		Sub-total	-2.24	-0.30
		Total	3295.19	446.72

Data Source: NSDL

## RECAP – INTERNATIONAL

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.
US Dollar Index	Spot	90.79	90.90	91.02	90.75	90.96	0.17	0.19%
EURUSD		1.2108	1.2109	1.2134	1.2095	1.2101	-0.0007	-0.06%
GBPUSD		1.3376	1.3378	1.3393	1.3290	1.3353	-0.0023	-0.17%
USDJPY		104.06	104.06	104.22	103.95	104.15	0.09	0.09%

Data Source: Investing.com

The Dollar ended flat to higher on Tuesday in lackluster trade as investors await fresh triggers.

Downside remained capped as still no agreement was reached between U.S lawmakers on the U.S. stimulus aid package as the deadline looms.

The Euro and the Sterling ended flat against the U.S. Dollar on Tuesday.

The Japanese Yen ended flat against the U.S. Dollar on Tuesday.

# Currency Update

December 09, 2020

## OUTLOOK – DOMESTIC & INTERNATIONAL CURRENCY

The Indian Rupee could start this Wednesday on a flat note against the U.S. Dollar as investors have turned cautious, globally ahead of key events looming for the markets.

RBI's presence in the market and a steady U.S. Dollar could also keep appreciation bias limited.

On the other hand, dollar inflows into local equities could keep depreciation bias limited.

The Rupee could likely open around 73.50-73.55 per dollar compared with 73.52 at close on Tuesday.

Meanwhile, NDF is at 73.69/75 this Wednesday morning vs a close of 73.67 on Tuesday.

Technically, the USDINR Spot pair gave a sharp fall from 50-Daily Moving Average at 73.85 levels and below the level could continue to trade downside support at 73.30-73.15 levels.

Resistance is at 73.75 but above the level will resume upside momentum up to 73.88-74.00 levels.

The USDINR Spot pair is expected to trade in a range of 73.30-73.75 levels for the coming few sessions.

### Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
USDINR	29-Dec-20	73.74	73.23	73.45	73.60	73.82	73.96	74.18	74.32
EURINR		89.33	88.72	88.97	89.15	89.41	89.59	89.84	90.02
GBPINR		98.37	97.70	98.00	98.19	98.50	98.68	98.99	99.17
JPYINR		70.86	70.42	70.61	70.73	70.93	71.05	71.25	71.37

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	-0.35%	-0.86%	3.08%	3.82%	14.20%
EUR/INR Futures Continuous		Bullish	Bullish	Bullish	0.28%	1.93%	11.26%	13.47%	17.80%
GBP/INR Futures Continuous		Sideways	Bullish	Bullish	-0.41%	-0.11%	4.32%	5.04%	13.04%
JPY/INR Futures Continuous		Bearish	Bullish	Bullish	0.26%	0.38%	7.43%	8.10%	24.43%

Data Source: Investing.com

# Currency Update

December 09, 2020

US Dollar Index was trading flat this Wednesday morning in Asian trade.

The Euro and the Sterling were trading flat against the U.S. Dollar this Wednesday morning in Asian trade as trade negotiations between the U.K and E.U are deadlocked.

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

Uncertainty around Brexit, around the progress of a fiscal spending package through U.S. Congress and around the outcome of Thursday's ECB meeting have traders temporarily cautious.

## Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
DXI	SPOT	90.96	90.53	90.64	90.80	90.91	91.07	91.18	91.34
EURO		1.2101	1.2047	1.2071	1.2086	1.2110	1.2125	1.2149	1.2164
Sterling		1.3353	1.3195	1.3242	1.3298	1.3345	1.3401	1.3448	1.3504
Yen		104.15	103.72	103.84	103.99	104.11	104.26	104.38	104.53

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	-0.23%	-1.98%	-5.69%	-6.67%	-3.18%
EUR/USD		Bullish	Bullish	Bullish	-0.02%	2.52%	8.03%	9.19%	2.96%
GBP/USD		Bullish	Bullish	Bullish	0.05%	0.75%	0.84%	1.64%	-0.16%
USD/JPY		Bearish	Bearish	Bearish	-0.22%	-1.05%	-4.10%	-4.18%	-8.20%

Data Source: Investing.com

## ECONOMIC CALENDAR

Date	Time (IST)	Country	Relevance	Indicator Name	Period	Reuters Poll	Prior
9 Dec 2020	20:30	United States	High	JOLTs Job Openings	Oct	6.300M	6.436M

Data Source: Investing.com

# Currency Update

December 09, 2020

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