

Currency Update

December 04, 2020

RECAP - DOMESTIC

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.	OI	% Chng.	Vol	% Chng.
USDINR	29-Dec-20	74.00	73.93	74.18	73.86	74.10	0.09	0.13%	3350862	9.59%	2905352	-27.02%
EURINR		89.14	89.45	89.82	89.45	89.75	0.61	0.68%	241098	10.23%	254709	-14.46%
GBPINR		98.78	98.94	99.44	98.85	99.37	0.59	0.60%	163367	28.34%	299677	-24.55%
JPYINR		70.67	70.75	71.09	70.70	71.02	0.35	0.49%	26109	-10.96%	67576	-11.92%

Data Source: NSE

The Indian Rupee depreciated for the 2nd consecutive session against the U.S. Dollar weighed down by continuous dollar purchases likely from the central bank probably to mop up portfolio inflows.

The Rupee ended at 73.90 to the dollar compared with 73.80 in the previous session.

The Rupee, in early trades, had appreciated to an intraday high of 73.69 on the back of a weak dollar.

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

Asian currencies were mostly higher and lent support.

The Dollar Index was lower in Thursday afternoon trade and will await cues from the labour market due tonight and the monthly payroll data expected to be released on Friday.

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

The benchmark BSE Sensex and the broader NSE index ended 0.03% and 0.15% higher, respectively on Thursday.

The benchmark 5.77% bond maturing in 2030 ended at 98.81 rupees, yielding 5.93%, against 98.89 rupees, yielding 5.92%, at previous close.

FPI ACTIVITY

FPI bought net \$0.15 million as on 02 December 2020. For the month of December, FPI were net buyers of a total of \$413.22 million.

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

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Daily Trends in FPI Investments as on 02-Dec-2020				
Reporting Date	Debt/Equity	Investment Route	Net Investment (Rs Crore)	Net Investment US(\$) million
03-Dec-20	Equity	Stock Exchange	175.20	23.78
		Primary market & others	-11.47	-1.56
		Sub-total	163.73	22.22
	Debt	Stock Exchange	-298.94	-40.59
		Primary market & others	-39.99	-5.43
		Sub-total	-338.93	-46.02
	Debt-VRR	Stock Exchange	-52.26	-7.10
		Primary market & others	27.55	3.74
		Sub-total	-24.71	-3.36
	Hybrid	Stock Exchange	201.13	27.31
		Primary market & others	0.00	0.00
		Sub-total	201.13	27.31
		Total	1.22	0.15

Data Source: NSDL

RECAP – INTERNATIONAL

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.
US Dollar Index	Spot	91.12	91.06	91.09	90.51	90.71	-0.41	-0.45%
EURUSD		1.2115	1.2113	1.2177	1.2101	1.2145	0.0030	0.25%
GBPUSD		1.3363	1.3369	1.3500	1.3353	1.3451	0.0088	0.66%
USDJPY		104.40	104.44	104.54	103.68	103.83	-0.57	-0.55%

Data Source: Investing.com

The Dollar crashed on Thursday as signs of progress toward U.S. fiscal stimulus and optimism about COVID-19 vaccines kept investors upbeat.

The dollar was pressured by U.S. data showing initial claims for state unemployment benefits fell 75,000 to a seasonally adjusted 712,000 for the week ended Nov. 28. A poll had forecast 775,000 applications.

The Euro rose against the U.S. Dollar on Thursday amid broad greenback weakness.

The European Central Bank meets next week and market participants will pay attention to any comments about the euro's strength.

The Sterling rose against the U.S. Dollar on Thursday amid broad greenback weakness and as Brexit negotiations continued.

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The Japanese Yen was strong against the U.S. Dollar on Thursday amid broad greenback weakness.

OUTLOOK – DOMESTIC & INTERNATIONAL CURRENCY

The Indian Rupee could start this Friday on a slightly stronger note against the U.S. Dollar, supported by continued weakness of the greenback.

However, RBI's presence in the market could keep appreciation bias limited.

The Rupee could likely open around 73.75-73.80 per dollar compared with 73.90 at close on Thursday.

Meanwhile, NDF is at 73.77 this Friday morning vs a close of 73.87 on Thursday.

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

Technically, the USDINR Spot pair has given breakout above 50-Daily Moving Average at 73.85 level indicating a positive momentum up to 74.03-74.20 levels.

Support is at 73.50-73.60 levels. Resistance is at 74.05-74.15 levels.

USDINR Spot is expected to trade in a range of 73.65-74.15 levels in the coming few sessions.

Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
USDINR	29-Dec-20	74.10	73.59	73.73	73.91	74.05	74.23	74.36	74.55
EURINR		89.75	89.16	89.31	89.53	89.67	89.89	90.04	90.26
GBPINR		99.37	98.42	98.64	99.00	99.22	99.59	99.80	100.17
JPYINR		71.02	70.38	70.54	70.78	70.93	71.17	71.33	71.57

Data Source: NSE

Trend

Currency	Exchange	Daily	Weekly	Monthly	1 Week	1 Month	YTD	1 Year	3 Years
USD/INR Futures Continuous	NSE	Bearish	Bullish	Bullish	-0.16%	-0.18%	3.58%	3.71%	14.79%
EUR/INR Futures Continuous		Bullish	Bullish	Bullish	1.48%	2.46%	11.77%	13.26%	17.09%
GBP/INR Futures Continuous		Bullish	Bullish	Bullish	0.51%	2.53%	5.42%	5.91%	14.71%
JPY/INR Futures Continuous		Sideways	Bullish	Bullish	-0.33%	-0.25%	7.70%	8.13%	23.59%

Data Source: Investing.com

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US Dollar Index extended losses this Friday morning in Asian trade. Markets will await the non-farm payroll number due tonight for the latest signs of the recovery losing momentum.

The Euro and the Sterling were trading flat to higher against the U.S. Dollar this Friday morning in Asian trade. Investors will also be looking to cues from outcome of Brexit trade deal negotiations.

The Japanese Yen was flat to marginally strong against the U.S. Dollar this Friday morning.

Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
DXY	SPOT	90.71	89.87	90.19	90.45	90.77	91.03	91.35	91.61
EURO		1.2145	1.2029	1.2065	1.2105	1.2141	1.2181	1.2217	1.2257
Sterling		1.3451	1.3222	1.3288	1.3369	1.3435	1.3516	1.3582	1.3663
Yen		103.83	102.63	103.16	103.49	104.02	104.35	104.88	105.21

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	-1.20%	-1.98%	-5.91%	-6.90%	-2.88%
EUR/USD		Bullish	Bullish	Bullish	1.50%	2.72%	8.29%	9.35%	2.67%
GBP/USD		Bullish	Bullish	Bullish	1.03%	2.35%	1.45%	2.25%	0.06%
USD/JPY		Bearish	Bearish	Bearish	-0.25%	0.36%	-4.40%	-4.52%	-7.77%

Data Source: Investing.com

ECONOMIC CALENDAR

Date	Time (IST)	Country	Relevance	Indicator Name	Period	Reuters Poll	Prior
4 Dec 2020	11:45	India	High	Cash Reserve Ratio	Dec	3.00%	3.00%
	11:45			Repo Rate	Dec	4.00%	4.00%
	11:45			Reverse Repo Rate	Dec	3.35%	3.35%
	12:30	Germany		Industrial Orders MM	Oct	1.5%	0.5%
	19:00	United States		Non-Farm Payrolls	Nov	469k	638k
	19:00			Unemployment Rate	Nov	6.8%	6.9%
	19:00			Average Earnings YY	Nov	4.3%	4.5%
	19:00			International Trade \$	Oct	-64.8B	-63.9B
	20:30			Factory Orders MM	Oct	0.8%	1.1%

Data Source: Investing.com

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