

# Currency Update

January 05, 2021

## RECAP - DOMESTIC

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.	OI	% Chng.	Vol	% Chng.
USDINR	27-Jan-21	73.30	73.80	73.80	73.07	73.19	-0.11	-0.15%	2760325	0.75%	1679190	120.26%
EURINR		89.72	89.77	89.99	89.48	89.96	0.24	0.27%	247741	-1.95%	224721	397.89%
GBPINR		99.83	99.95	100.21	99.91	100.15	0.32	0.32%	199014	9.72%	412353	466.01%
JPYINR		71.03	70.94	71.21	70.91	71.13	0.09	0.13%	28746	2.07%	31111	267.83%

Data Source: NSE

The Indian Rupee appreciated against the U.S. currency tracking upbeat Asian peers on the back of a broad decline in the dollar index.

The Rupee ended at 73.02 compared with 73.12 in the previous session. Earlier in the session, it appreciated to a four-month high of 72.91, but pared gains on the back of dollar purchases.

The Chinese yuan led Asian currencies higher, after strengthening to an over-two-year high of 6.44 to the dollar earlier in the session. Other Asian currencies like the Indonesian rupiah, the Korean won and the Singapore dollar also appreciated against the Greenback this Monday.

Meanwhile, the U.S. Dollar continued to struggle this Monday afternoon in Asian session. The Index is trading down 0.57% at 89.43.

The minutes of the December Fed meeting, due this week could reinforce that dovish stance, which could continue to weigh on the Greenback.

In addition to the Fed minutes, traders will be eyeing the U.S. ISM manufacturing and non-manufacturing data and the U.S. monthly jobs report.

Apart from these, traders will be following the runoff elections in the U.S. state of Georgia which could decide who controls the Senate.

The one-year forward premium was at 3.34 rupees, unchanged against the previous session.

The benchmark BSE Sensex and the broader NSE index rose for the ninth consecutive session to end at a fresh record high and added 0.64% and 0.82% respectively, on Monday.

The benchmark 5.77% bond maturing in 2030 ended at 99.34 rupees, yielding 5.86%, the lowest since Nov. 5, against 99.05 rupees and 5.90% yield at the previous close.

# Currency Update

January 05, 2021

## FPI ACTIVITY

FPI bought net \$167.65 million as on 01 January 2021. For the month of December, FPI were net buyers of a total of \$8.597 billion.

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

Daily Trends in FPI Investments as on 01-Jan-2021				
Reporting Date	Debt/Equity	Investment Route	Net Investment (Rs Crore)	Net Investment US(\$ ) million
04-Jan-21	Equity	Stock Exchange	1173.01	160.61
		Primary market & others	7.23	0.99
		Sub-total	1180.24	161.60
	Debt	Stock Exchange	-	-
		Primary market & others	-50.99	-6.98
		Sub-total	-50.99	-6.98
	Debt-VRR	Stock Exchange	-	-
		Primary market & others	74.00	10.13
		Sub-total	74.00	10.13
	Hybrid	Stock Exchange	21.19	2.90
		Primary market & others	-	-
		Sub-total	21.19	2.90
		Total	1224.44	167.65

Data Source: NSDL

## RECAP – INTERNATIONAL

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.
US Dollar Index	Spot	89.94	89.93	89.94	89.42	89.87	-0.07	-0.08%
EURUSD		1.2214	1.2248	1.2308	1.2239	1.2253	0.0039	0.32%
GBPUSD		1.3673	1.3681	1.3705	1.3542	1.3570	-0.0103	-0.75%
USDJPY		103.21	103.25	103.25	102.71	103.14	-0.07	-0.07%

Data Source: Investing.com

The U.S. dollar recovered after falling to its lowest level since April 2018 on Monday, as surging coronavirus cases undermined bullish sentiment.

Markets also remained cautious ahead of the outcome over the runoff elections in Georgia that will determine control of the Senate.

The Euro gave up gains but still ended marginally higher against the U.S. Dollar on Monday.

# Currency Update

January 05, 2021

The Sterling ended with modest losses on Monday as tighter lockdown measures were set to be introduced to curb the spread of the coronavirus.

The Japanese Yen started the session higher after Japanese Prime Minister Yoshihide Suga said his government was mulling a state of emergency in Tokyo as coronavirus cases rise. However, recovery of the Greenback saw the gains wipe-out.

## OUTLOOK – DOMESTIC & INTERNATIONAL CURRENCY

The Indian Rupee could start this Tuesday on a flat note against the Greenback.

FPI flows into the domestic equity markets could cap losses.

However, uncertainty surrounding Georgia run-offs and rising covid-19 infections could push investors towards the safe haven appeal of the U.S. Dollar and cap gains for the domestic unit.

Most Asian currencies were flat against the Greenback this Tuesday morning.

However, Chinese Yuan continued its appreciation against the U.S. Dollar this Tuesday morning.

The Rupee could likely open around 73.00-73.05 per dollar compared with 73.02 at close on Monday.

Meanwhile, NDF is at 73.04/05 this Tuesday morning vs a close of 73.04 on Monday.

Technically, the USDINR Spot pair has bounced back from 72.81 levels where it took a support of lower band of Falling Channel formation indicating a bounce back up to 73.12-73.25 levels. Support holds at 72.90-72.75 levels.

The USDINR Spot pair could trade in a range of 72.80-73.15 levels in the coming session.

### Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
USDINR	27-Jan-21	73.19	72.17	72.62	72.91	73.35	73.64	74.09	74.38
EURINR		89.96	89.11	89.29	89.63	89.81	90.14	90.32	90.66
GBPINR		100.15	99.67	99.79	99.97	100.09	100.27	100.39	100.57
JPYINR		71.13	70.66	70.79	70.96	71.08	71.25	71.38	71.55

Data Source: NSE

# Currency Update

January 05, 2021

## Trend

Currency	Exchange	Daily	Weekly	Monthly	1 Week	1 Month	YTD	1 Year	3 Years
USD/INR Futures Continuous	NSE	Bearish	Bearish	Sideways	-0.23%	-0.93%	-0.10%	1.51%	15.24%
EUR/INR Futures Continuous		Bullish	Bullish	Bullish	0.19%	0.09%	0.02%	11.25%	17.38%
GBP/INR Futures Continuous		Bullish	Bullish	Bullish	1.20%	0.68%	0.15%	5.44%	16.30%
JPY/INR Futures Continuous		Sideways	Bullish	Bullish	0.52%	0.13%	0.11%	6.44%	26.64%

Data Source: Investing.com

US Dollar Index has started flat this Tuesday morning in Asian trade as markets remained cautious amid concerns about surging COVID-19 cases and uncertainty about U.S. runoff elections in Georgia.

Apart from the elections, U.S. will release the ISM Manufacturing PMI data which could have an impact on the Greenback.

The Euro and the Sterling were flat against the U.S. Dollar this Tuesday morning in Asian trade.

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

## Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
DX	SPOT	89.87	89.03	89.22	89.55	89.74	90.07	90.26	90.59
EURO		1.2253	1.2156	1.2198	1.2225	1.2267	1.2294	1.2336	1.2363
Sterling		1.3570	1.3343	1.3443	1.3506	1.3606	1.3669	1.3769	1.3832
Yen		103.14	102.28	102.49	102.82	103.03	103.36	103.57	103.90

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	-0.09%	-0.87%	-0.03%	-6.99%	-2.22%
EUR/USD		Bullish	Bullish	Bullish	0.07%	1.12%	0.34%	9.48%	1.88%
GBP/USD		Bullish	Bullish	Bullish	0.53%	1.00%	-0.75%	3.07%	0.00%
USD/JPY		Bearish	Bearish	Bearish	-0.42%	-0.98%	-0.08%	-4.85%	-8.81%

Data Source: Investing.com

## ECONOMIC CALENDAR

Date	Time (IST)	Country	Relevance	Indicator Name	Period	Poll	Prior
5 Jan 2021	14:25	Germany	High	Unemployment Change	Dec	10k	-39k
	14:25			Unemployment Rate	Dec	6.1%	6.1%
	20:30	United States		ISM Manufacturing PMI	Dec	56.6	57.5

Source: investing.com

# Currency Update

January 05, 2021

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