

# Currency Update

January 07, 2021

## RECAP - DOMESTIC

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.	OI	% Chng.	Vol	% Chng.
USDINR	27-Jan-21	73.39	73.39	73.39	73.22	73.24	-0.15	-0.20%	2791697	1.20%	1479989	-10.15%
EURINR		90.10	89.96	90.40	89.96	90.33	0.23	0.26%	260077	1.76%	222520	30.17%
GBPINR		99.76	99.76	100.03	99.68	99.98	0.21	0.22%	178790	11.18%	396824	-14.79%
JPYINR		71.32	71.32	71.38	71.16	71.18	-0.14	-0.19%	35356	-3.44%	37194	-26.28%

Data Source: NSE

The Indian Rupee appreciated against the Dollar as regional currencies strengthened against the Dollar on increasing probability that the Democratic Party will take control of the U.S. Senate.

The Rupee ended at 73.10 compared with 73.18 in the previous session. Intraday low was 73.19 for the session.

The one-year forward premium was at 3.32 rupees, against 3.30 rupees in the previous session.

The benchmark BSE Sensex and the broader NSE index fell for the first time in 11 sessions and closed 0.54% and 0.38% lower, respectively on Wednesday.

The benchmark 5.77% bond maturing in 2030 ended at 99.08 rupees, yielding 5.90%, against 99.40 rupees and 5.85% yield at the previous close.

## FPI ACTIVITY

FPI bought net \$27.10 million as on 05 January 2021. For the month of January, FPI were net buyers of a total of \$719.88 million.

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

Daily Trends in FPI Investments as on 05-Jan-2021				
Reporting Date	Debt/Equity	Investment Route	Net Investment (Rs Crore)	Net Investment US(\$ million)
06-Jan-21	Equity	Stock Exchange	1344.11	183.85
		Primary market & others	-1537.36	-210.28
		Sub-total	-193.25	-26.43
	Debt	Stock Exchange	299.87	41.02
		Primary market & others	-111.10	-15.20
		Sub-total	188.77	25.82
	Debt-VRR	Stock Exchange	245.99	33.65

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Hybrid	Primary market & others	-41.31	-5.65
	Sub-total	204.68	28.00
	Stock Exchange	-2.13	-0.29
	Primary market & others	-	-
	Sub-total	-2.13	-0.29
	Total	198.07	27.10

Data Source: NSDL

## RECAP – INTERNATIONAL

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.
US Dollar Index	Spot	89.44	89.48	89.80	89.21	89.53	0.09	0.10%
EURUSD		1.2294	1.2296	1.2350	1.2265	1.2325	0.0031	0.25%
GBPUSD		1.3624	1.3626	1.3672	1.3539	1.3607	-0.0017	-0.12%
USDJPY		102.72	102.75	103.45	102.58	103.04	0.32	0.31%

Data Source: Investing.com

The U.S. dollar recouped from the lows of the session despite Democrats win in the U.S. Senate election in Georgia that would clear the path for a larger fiscal stimulus package.

Fuelling expectations of further stimulus measures was a weak report on the labour market in the form of the ADP National Employment Report, which showed private payrolls post their first decline in eight months as coronavirus cases surge.

However, a reading on factory orders for November exceeded expectations and indicated a sustained manufacturing recovery.

Meanwhile, the Federal Reserve was nearly unanimous in its decision last month to leave its bond-buying program unchanged, but left a wide berth for officials to decide in the future if and when changes should be made, according to minutes of the U.S. central bank's December policy meeting.

The Euro and the Sterling ended higher against the U.S. Dollar on Thursday.

The Japanese Yen weakened against the U.S. Dollar on Thursday.

## OUTLOOK – DOMESTIC & INTERNATIONAL CURRENCY

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

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FPI flows into the domestic equity markets could cap losses. However, weak U.S. Dollar could continue to lend support.

Most Asian currencies were weak against the Greenback this Thursday morning and could weigh on sentiments.

The Rupee could likely open around 73.10-73.12 per dollar compared with 73.10 at close on Wednesday.

Meanwhile, NDF is at 73.10 this Thursday morning vs a close of 73.10 on Wednesday.

Technically, the USDINR Spot pair resisted near 73.25-73.30 levels and holds a strong support of 72.80 levels indicating a sideways momentum in these ranges to continue in the coming session.

The USDINR Spot pair could trade in a range of 72.90-73.30 levels in the coming session.

## Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
USDINR	27-Jan-21	73.24	73.01	73.12	73.18	73.28	73.35	73.45	73.51
EURINR		90.33	89.63	89.80	90.06	90.23	90.50	90.67	90.93
GBPINR		99.98	99.41	99.55	99.76	99.89	100.11	100.24	100.46
JPYINR		71.18	70.88	71.02	71.10	71.24	71.32	71.46	71.54

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	Sideways	-0.03%	-0.66%	-0.03%	1.93%	15.17%
EUR/INR Futures Continuous		Bullish	Bullish	Bullish	0.44%	1.13%	0.44%	12.85%	18.25%
GBP/INR Futures Continuous		Bullish	Bullish	Bullish	0.04%	1.64%	0.04%	6.02%	16.01%
JPY/INR Futures Continuous		Bullish	Bullish	Bullish	0.19%	0.46%	0.19%	7.56%	26.43%

Data Source: Investing.com

US Dollar Index has started flat to marginally lower this Thursday morning in Asian trade after Democrats won control of the U.S. Senate, clearing the way for a larger fiscal stimulus under President-elect Joe Biden.

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

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

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

## Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
DX		89.53	88.64	88.92	89.23	89.51	89.82	90.10	90.41
EURO	SPOT	1.2325	1.2192	1.2228	1.2277	1.2313	1.2362	1.2398	1.2447
Sterling		1.3607	1.3407	1.3473	1.3540	1.3606	1.3673	1.3739	1.3806
Yen		103.04	101.73	102.15	102.60	103.02	103.47	103.89	104.34

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	-0.64%	-1.76%	-0.64%	-8.16%	-3.25%
EUR/USD		Bullish	Bullish	Bullish	0.97%	1.91%	0.97%	11.05%	3.05%
GBP/USD		Bullish	Bullish	Bullish	-0.37%	2.01%	-0.37%	4.01%	0.40%
USD/JPY		Bearish	Bearish	Bearish	-0.17%	-1.08%	-0.17%	-5.60%	-8.90%

Data Source: Investing.com

## ECONOMIC CALENDAR

Date	Local Time	Country	Relevance	Indicator Name	Period	Poll	Prior
7 Jan 2021	12:30	Germany	High	Industrial Orders MM	Nov	-1.2%	2.9%
	15:30	Euro Zone		HICP Flash YY	Dec	-0.2%	-0.3%
	15:30			Consumer Confidence Final	Dec	-13.9	-13.9
	19:00	United States		International Trade \$	Nov	-65.2B	-63.1B
	19:00			Initial Jobless Claims	2 Jan, w/e	800k	787k
	20:30			ISM N-Mfg PMI	Dec	54.6	55.9

Source: investing.com

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