

# Currency Update

January 06, 2021

## RECAP - DOMESTIC

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.	OI	% Chng.	Vol	% Chng.
USDINR	27-Jan-21	73.19	73.18	73.46	73.15	73.39	0.20	0.28%	2758689	-0.06%	1647155	-1.91%
EURINR		89.96	89.84	90.13	89.81	90.10	0.14	0.16%	255587	3.17%	170944	-23.93%
GBPINR		100.15	99.50	99.80	99.40	99.76	-0.40	-0.39%	160812	-19.20%	465721	12.94%
JPYINR		71.13	70.99	71.34	70.97	71.32	0.19	0.26%	36614	27.37%	50452	62.17%

Data Source: NSE

The Indian Rupee depreciated against the dollar this Tuesday tracking losses in most Asian currencies on concerns about more lockdowns in major economies.

The Rupee also came under pressure amid rumours on heavy dollar purchases by foreign banks on news of geopolitical tensions related to Iran.

The Rupee ended at 73.18 compared with 73.02 in the previous session.

The Rupee weakened despite the Dollar Index remaining sluggish against the basket of currencies this Tuesday.

Furthermore, uncertainty surrounding the Georgia runoff elections also added to the risk-off tone in markets.

However, India's benchmark BSE Sensex closed 0.5% higher, its tenth consecutive daily rise probably on the back of FPI flows and capped weakness of the local unit.

The one-year forward premium was at 3.30 rupees, against 3.34 rupees in the previous session.

The benchmark 5.77% bond maturing in 2030 ended at 99.40 rupees, yielding 5.85%, its lowest since Oct. 27, and against 99.34 rupees and 5.86% yield at the previous close.

## FPI ACTIVITY

FPI bought net \$525.13 million as on 04 January 2021. For the month of January, FPI were net buyers of a total of \$692.78 million.

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

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Daily Trends in FPI Investments as on 04-Jan-2021				
Reporting Date	Debt/Equity	Investment Route	Net Investment (Rs Crore)	Net Investment US(\$) million
05-Jan-21	Equity	Stock Exchange	3136.47	429.59
		Primary market & others	-377.81	-51.75
		Sub-total	2758.66	377.84
	Debt	Stock Exchange	1099.47	150.59
		Primary market & others	-63.68	-8.72
		Sub-total	1035.79	141.87
	Debt-VRR	Stock Exchange	42.38	5.80
		Primary market & others	-6.54	-0.90
		Sub-total	35.84	4.90
	Hybrid	Stock Exchange	3.77	0.52
		Primary market & others	-	-
		Sub-total	3.77	0.52
Total			3834.06	525.13

Data Source: NSDL

## RECAP – INTERNATIONAL

Currency	Expiry	Previous	Open	High	Low	Close	Net Chng.	% Chng.
US Dollar Index		89.87	89.90	89.90	89.43	89.44	-0.43	-0.48%
EURUSD	Spot	1.2253	1.2247	1.2307	1.2246	1.2294	0.0041	0.33%
GBPUSD		1.3570	1.3572	1.3642	1.3554	1.3624	0.0054	0.40%
USDJPY		103.14	103.13	103.19	102.60	102.72	-0.42	-0.41%

Data Source: Investing.com

The U.S. dollar fell against the basket of currencies on Tuesday.

U.S. Dollar was also weighed down after China set the official yuan midpoint at 6.4760 per dollar before the market opened, up 1% from the previous fix.

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

The Euro ended marginally higher against the U.S. Dollar on Monday.

The Sterling recovered from the lows of the session but held well below a more than 2-1/2-year high of \$1.37 hit in the previous session, as a new lockdown deflated optimism from a post-Brexit trade deal with the European Union.

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

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## OUTLOOK – DOMESTIC & INTERNATIONAL CURRENCY

The Indian Rupee could start this Wednesday on a flat to weaker note against the Greenback.

FPI flows into the domestic equity markets could cap losses.

However, 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 weak against the Greenback this Wednesday morning and could weigh on sentiments.

The Rupee could likely open around 73.20-73.25 per dollar compared with 73.18 at close on Tuesday.

Meanwhile, NDF is at 73.15 this Wednesday morning vs a close of 73.13 on Tuesday.

Technically, the USDINR Spot pair yesterday took a support of lower band of the Falling Channel which is placed at 72.80 levels from which it has bounced back and is trading near the 73.20 levels and suggests a bullish reversal in the counter. Support is at 73.05-72.85 & Resistance is at 73.35-73.50 levels.

The USDINR Spot pair could trade in a range of 72.95-73.35 levels in the coming session.

### Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
USDINR		73.39	72.91	73.03	73.21	73.33	73.52	73.64	73.82
EURINR		90.10	89.59	89.70	89.90	90.01	90.22	90.33	90.53
GBPINR	27-Jan-21	99.76	99.10	99.25	99.50	99.65	99.90	100.05	100.30
JPYINR		71.32	70.71	70.84	71.08	71.21	71.45	71.58	71.82

Data Source: NSE

### Trend

Currency	Exchange	Daily	Weekly	Monthly	1 Week	1 Month	YTD	1 Year	3 Years
USD/INR Futures Continuous		Bearish	Bearish	Sideways	-0.02%	-0.90%	0.16%	2.00%	15.54%
EUR/INR Futures Continuous		Bullish	Bullish	Bullish	0.07%	0.51%	0.17%	11.93%	17.56%
GBP/INR Futures Continuous	NSE	Bullish	Bullish	Bullish	0.10%	1.56%	-0.19%	5.34%	15.91%
JPY/INR Futures Continuous		Bullish	Bullish	Bullish	0.34%	0.36%	0.39%	7.38%	26.99%

Data Source: Investing.com

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US Dollar Index has started flat to marginally higher this Wednesday morning in Asian trade as markets remained cautious ahead of the runoff elections in Georgia.

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

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 U.S. Dollar this Wednesday morning.

## Pivot Points

Currency	Expiry	Close	S3	S2	S1	Pivot	R1	R2	R3
DXY		89.44	88.81	89.12	89.28	89.59	89.75	90.06	90.22
EURO	SPOT	1.2294	1.2197	1.2221	1.2258	1.2282	1.2319	1.2343	1.2380
Sterling		1.3624	1.3483	1.3519	1.3571	1.3607	1.3659	1.3695	1.3747
Yen		102.72	101.89	102.25	102.48	102.84	103.07	103.43	103.66

Data Source: Investing.com

## Trend

Currency	Exchange	Daily	Weekly	Monthly	1 Week	1 Month	YTD	1 Year	3 Years
US Dollar Index		Bearish	Bearish	Bearish	-0.32%	-1.54%	-0.61%	-7.85%	-2.78%
EUR/USD	Spot	Bullish	Bullish	Bullish	0.06%	1.60%	0.72%	10.30%	2.26%
GBP/USD		Bullish	Bullish	Bullish	0.05%	1.89%	-0.32%	3.86%	0.43%
USD/JPY		Bearish	Bearish	Bearish	-0.48%	-1.34%	-0.52%	-5.32%	-9.21%

Data Source: Investing.com

## ECONOMIC CALENDAR

Date	Time (IST)	Country	Relevance	Indicator Name	Period	Poll	Prior
6 Jan 2021	15:00	United Kingdom	High	Composite PMI	Dec	50.7	49
	15:00	United Kingdom		Services PMI	Dec	49.9	47.6
	18:30	Germany		CPI Prelim YY	Dec	-0.3%	-0.3%
	18:30	Germany		HICP Prelim YY	Dec	-0.6%	-0.7%
	18:45	United States		ADP Nonfarm Employment Change	Dec	88K	307K
	19:30	United Kingdom		BoE Gov Bailey Speaks			
	20:30	United States		Factory Orders MM	Nov	0.7%	1.0%

Source: investing.com

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