

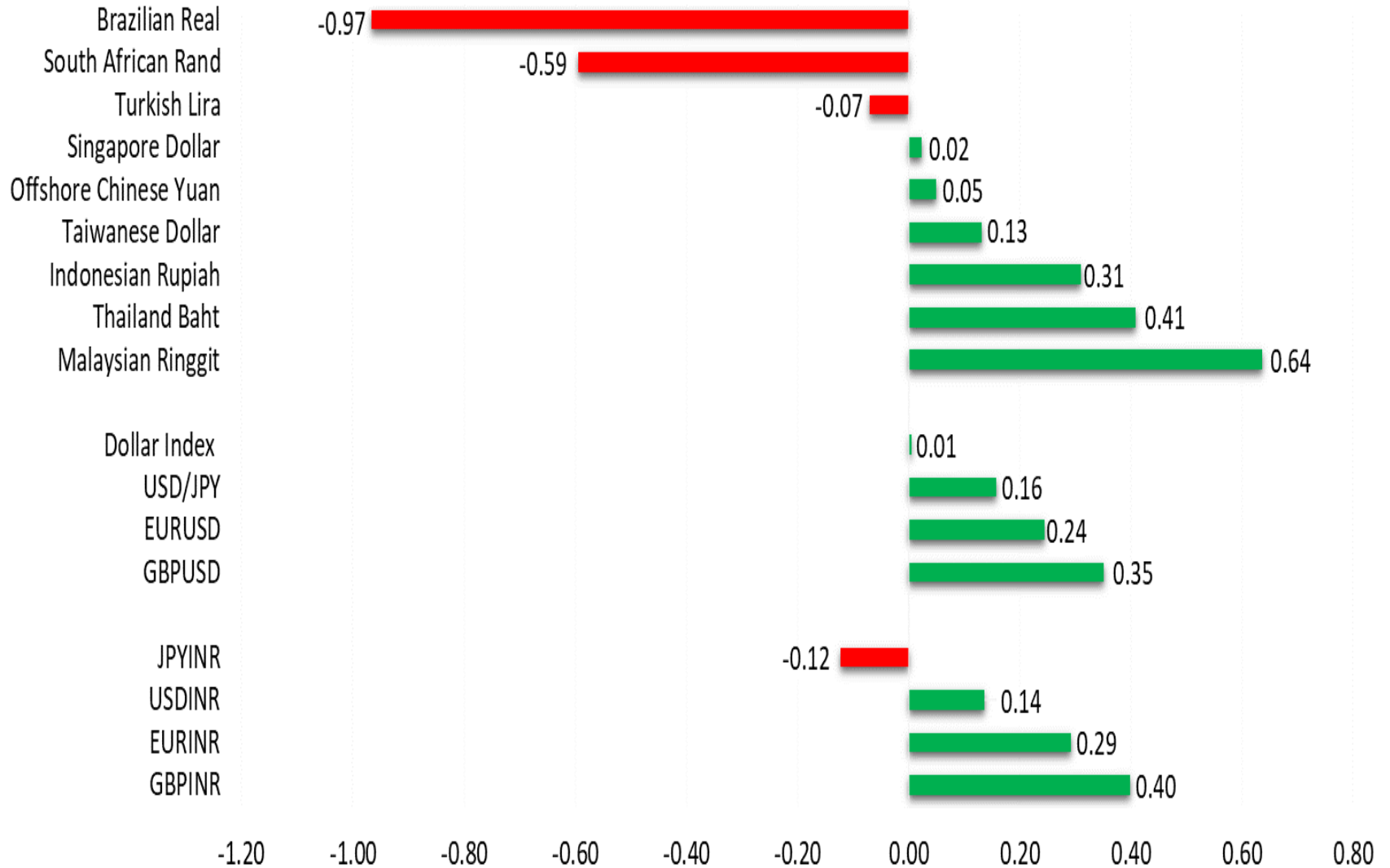
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# CURRENCIES AND BONDS

February 20, 2023

# TOP GAINERS AND LOSERS % TERMS



# CURRENCIES & BONDS

## SUMMING UP

### CURRENCY

- The Indian Rupee weakened against the dollar on Friday and for a 4th straight week on concerns over surging U.S. dollar and Treasury yields amid fears that the Fed will continue its aggressive monetary policy stance.
- However, likely intervention by the RBI in the non-deliverable forward (NDF) market capped losses.
- In fact, the RBI may have sold dollars in the NDF market throughout the week to cap the fall of the currency below 83.00 levels.
- The Rupee settled at 82.8300 per dollar, compared with 82.7175 in the previous session.
- For the week, it weakened by 0.4%.
- The Asian peers also weakened this Friday and remained under pressure the whole week, but the Rupee performed better compared to its peers.
- The Korean won and the Thai baht posted a weekly decline of more than 2%. The Philippine peso dropped 1.5% and the Chinese yuan lost 1%.
- In the overseas markets, the U.S. Dollar Index gained on Friday's session and gained for a 3rd straight week following fresh hawkish rhetoric from the U.S. Federal Reserve officials.

### BONDS

- Indian bond yields jumped on Friday after RBI devolved a bulk of the 10-year bond on primary dealers at an auction.
- A relentless spike in U.S. yields also weighed.
- The 10-year benchmark 7.26% 2032 bond yield ended at 7.388%, after closing at 7.342% on Thursday.
- The RBI devolved 82.54 billion Indian rupees (nearly \$1 billion) of the 7.26% 2033 bond and was the first devolvement from the central bank in five months.
- Meanwhile, the central government raised 280 billion rupees via debt sale on Friday, as expected.
- In the overseas markets, the U.S. Treasury yields ended mixed with the 2-year ending higher, while the 10 and 30-year ending weaker on Friday despite hawkish Fed.

Currency	Contract	Previous	Open	High	Low	Close	Net Chg.	% Chg.
USDINR	Spot	82.7175	82.7950	82.8500	82.7300	82.8300	0.11	0.14
	Feb-23	82.7200	82.7875	82.8850	82.7550	82.8575	0.14	0.17
	Mar-23	82.8625	82.8975	83.0225	82.8975	82.9950	0.13	0.16
EURINR	Spot	88.2350	88.2680	88.5260	87.8510	88.4930	0.26	0.29
	Feb-23	88.5575	88.4475	88.4475	88.0975	88.1625	-0.40	-0.45
	Mar-23	88.8175	88.7500	88.7500	88.3500	88.4100	-0.41	-0.46
GBPINR	Spot	99.1940	99.2190	99.7220	98.6400	99.5900	0.40	0.40
	Feb-23	99.7225	99.4100	99.4100	98.7675	98.9425	-0.78	-0.78
	Mar-23	99.9200	99.5275	99.5275	98.9750	99.1475	-0.77	-0.78
JPYINR	Spot	61.7469	61.7469	61.7515	61.2630	61.6709	-0.08	-0.12
	Feb-23	61.8825	61.0075	61.6625	61.0075	61.4650	-0.42	-0.68
	Mar-23	62.2350	61.9000	62.1750	61.7000	61.8350	-0.40	-0.65
EURUSD	Spot	1.0668	1.0672	1.0698	1.0611	1.0694	0.0026	0.24
GBPUSD		1.1993	1.1996	1.2051	1.1913	1.2035	0.0042	0.35
USD/JPY		133.94	133.94	135.10	133.92	134.15	0.21	0.16
Dollar Index		103.86	104.20	104.67	103.84	103.86	0.01	0.01

Bonds	Previous	Open	High	Low	Close	Net Chg.	% Chg.
US 2 Year	4.619	4.646	4.718	4.615	4.623	0.004	0.09
US 10 Year	3.843	3.863	3.929	3.813	3.828	-0.015	-0.39
US 30 Year	3.904	3.921	3.969	3.864	3.888	-0.016	-0.41
India 10 Year	7.342	7.405	7.405	7.358	7.388	0.046	0.62
Germany 10 Year	2.483	2.515	2.565	2.441	2.460	-0.023	-0.91
UK 10 Year	3.502	3.591	3.611	3.497	3.512	0.010	0.28
Japan 10 Year	0.500	0.507	0.507	0.499	0.501	0.001	0.20

### FPI FLOWS

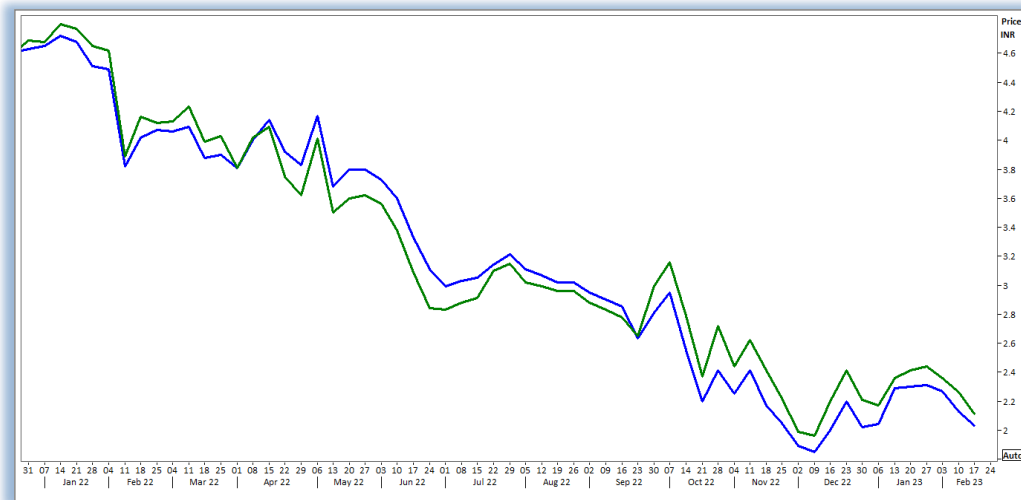
Date	Net Investment U.S. (\$) million
13-Feb	16.95
14-Feb	256.58
15-Feb	151.51
16-Feb	63.41
17-Feb	255.98
Total for February	161.36
Total for January	-3102.94
Total for 2022	-18082.72
Total for 2023	-2941.58

# GOING FORWARD

## USDINR 1-YEAR (BLUE) AND 6-MONTH (GREEN) IMPLIED YIELDS (WEEKLY)

### CURRENCY

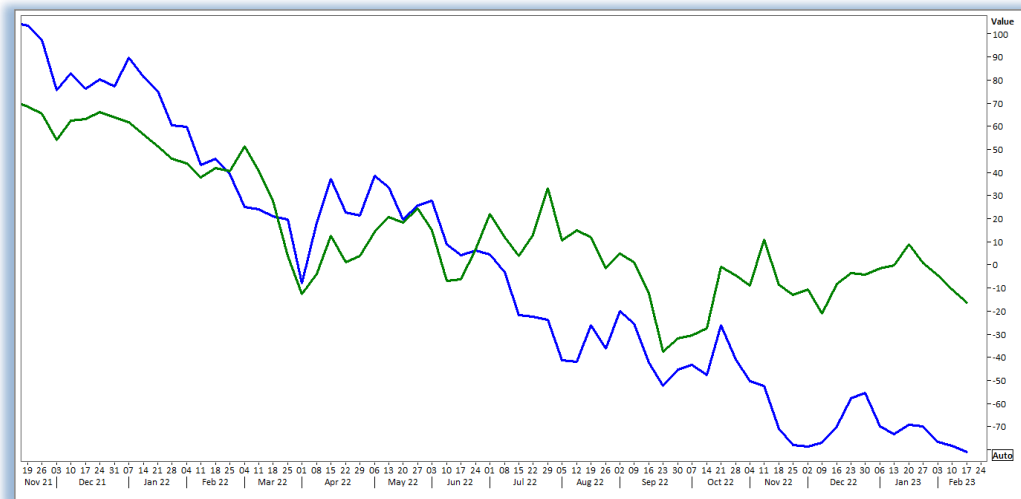
- The Indian Rupee could likely open slightly stronger against the U.S. dollar on Monday, tracking gains in the Asian peers.
- A fall in the crude oil prices and slightly better risk appetite this Monday morning could also lift sentiments.
- The Rupee could open at around 82.7000 to 82.7200 compared with 82.8300 in the previous session.
- Supports for the USDINR spot pair are at 82.5000 and 82.4000, resistances are at 82.8800 and 83.0000.
- In the overseas markets, the U.S. Dollar started stronger this Monday morning in Asian trading supported by hawkish fed rhetoric.
- The focus will be on the FOMC Meeting minutes and speeches by Fed officials.
- Investors will also closely follow personal income, spending, PCE price index, and 2nd estimate for Q4 GDP growth rate.
- The Euro, the Sterling and the Yen started weaker this Monday morning tracking the Greenback's strength.



## US 2 & 10-YEAR YIELD CURVE (BLUE) US 5 & 30-YEAR YIELD CURVE (GREEN) WEEKLY

### BONDS

- Indian bond yields are likely to open steady on Monday, as traders awaited fresh triggers after high volatility in the previous session.
- Markets were surprised on Friday after the RBI devolved a bulk of the 10-year bond on primary dealers at an auction and will dampen sentiment further.
- The benchmark 10-year yield could move in the 7.360% to 7.410% range.
- The 10-year U.S. Treasury Yields started weaker this Monday morning as markets takes a breather after last week's rally.
- U.S. markets are shut and could keep volumes low today.
- The benchmark 10-year yield could move in a range of 3.785% to 3.900%.



## ASIAN AND EM PEERS (red indicates weakness and green signifies strength)

Currency	Previous	Open	High	Low	Close	Net Chg.	% Chg.
Offshore Chinese Yuan	6.868	6.868	6.897	6.867	6.871	0.003	0.05
Indonesian Rupiah	15153	15170	15215	15159	15200	47.00	0.31
Thailand Baht	34.320	34.360	34.630	34.360	34.460	0.140	0.41
Malaysian Ringgit	4.402	4.400	4.432	4.400	4.430	0.028	0.64
Singapore Dollar	1.336	1.336	1.341	1.335	1.336	0.000	0.02
Taiwanese Dollar	30.341	30.299	30.478	30.243	30.381	0.040	0.13
Korean Won	1289.510	1289.510	1303.500	1288.760	1295.870	6.360	0.49
South African Rand	18.153	18.142	18.292	17.990	18.045	-0.108	-0.59
Turkish Lira	18.838	18.843	18.887	18.675	18.825	-0.013	-0.07
Brazilian Real	5.218	5.218	5.253	5.149	5.167	-0.050	-0.97

## GLOBAL EQUITIES

Indices	Previous	Open	High	Low	Close	Net Chg.	% Chg.
Nasdaq 100	12442.48	12352.30	12385.52	12233.79	12358.19	-84.30	-0.68
Bovespa	109941.46	109941.46	109941.46	108968.48	109176.92	-764.54	-0.70
DAX	15533.64	15372.06	15514.72	15300.42	15482.00	-51.64	-0.33
FTSE 100	8012.53	8012.53	8012.53	7957.69	8004.36	-8.17	-0.10
CAC 40	7366.16	7311.14	7368.00	7267.77	7347.72	-18.44	-0.25
Shanghai SE Composite	3249.03	3244.73	3262.47	3223.26	3224.02	-25.01	-0.77
Shenzhen SE Composite	2150.23	2148.94	2157.83	2124.79	2125.19	-25.04	-1.16
Hang Seng	20987.67	20958.63	21056.68	20703.74	20719.81	-267.86	-1.28
Taiwan Weighted	15550.50	15503.75	15503.75	15418.43	15479.70	-70.80	-0.46
Nifty 50	18035.85	17974.85	18034.25	17884.60	17944.20	-91.65	-0.51
BSE Sensex	61319.51	60993.54	61302.72	60810.67	61002.57	-316.94	-0.52

## PIVOTS & TREND

Currency	Contract	S3	S2	S1	PP	R1	R2	R3
USDINR Monthly (NSE)	NSE USDINR Feb-23	82.65	82.70	82.78	82.83	82.91	82.96	83.04
	NSE USDINR Mar-23	82.80	82.85	82.92	82.97	83.05	83.10	83.17
	NSE USDINR Mar-23	83.02	83.07	83.14	83.18	83.26	83.30	83.37
Other Domestic Pairs Monthly (NSE)	NSE EURINR Feb-23	87.67	87.89	88.02	88.24	88.37	88.59	88.72
	NSE GBPINR Feb-23	98.03	98.40	98.67	99.04	99.31	99.68	99.96
	NSE JPYINR Feb-23	60.44	60.72	61.09	61.38	61.75	62.03	62.40
International Currency	Euro	1.0550	1.0581	1.0637	1.0668	1.0724	1.0755	1.0811
	British Pound	1.1810	1.1862	1.1948	1.2000	1.2086	1.2138	1.2224
	Japanese Yen	132.50	133.21	133.68	134.39	134.86	135.57	136.04
	US DOLLAR INDE/d	102.75	103.30	103.58	104.12	104.41	104.95	105.23

Currency	Exchange	Contract	Close	10SMA	50SMA	RSI-9	Trend
Domestic Currencies							
USDINR	NSE	Feb-23	82.8575	82.7838	82.1799	69.30	Bullish
EURINR	NSE		88.1650	88.6196	88.5551	40.40	Bearish
GBPINR	NSE		98.9425	99.9333	100.0662	34.61	Bearish
JPYINR	NSE		61.4650	62.3850	62.9433	8.56	Bearish
Cross Currencies							
Dollar Index	Spot	Continuous	103.86	103.55	103.31	56.12	Bullish
EURUSD			1.0695	1.0698	1.0769	51.02	Bearish
GBPUSD			1.2037	1.2072	1.2187	49.77	Bearish
JPYUSD			134.17	133.20	130.94	56.18	Bullish

Top  
Things to  
Watch in  
the  
Market  
Today

NO MAJOR EVENTS

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