

HDFC securities Retail Research

Currency Daily

29 July 2024



Currency Movements

Name	Current Price	Previous Close	Change	% Change
USDINR	83.728	83.706	0.021	0.03%
DXY Index	104.25	104.32	-0.07	-0.06%
EURUSD	1.0865	1.086	0.001	0.08%
GBPUSD	1.2881	1.287	0.001	0.11%
USDJPY	153.69	153.76	-0.070	-0.05%
USDCNH	7.2629	7.264	-0.001	-0.01%
US 10 Yr. Yield	4.176	4.194	-0.018	-0.42%
USDINR 1M FWD	83.80	83.79	0.01	0.01%
India 10 Yr. Yield	6.942	6.952	-0.010	-0.14%

Global Equity Markets

Name	Current Price	Previous Close	Change	% Change
Nifty	24835	24406	429	1.76%
Sensex	81333	80040	1293	1.62%
Hang Seng	17021	17005	16	0.10%
Nikkie	38677	37667	1010	2.68%
Shanghai	2891	2887	4	0.14%
S&P Index	5459	5399	60	1.11%
Dow Jones	40589	39935	654	1.64%
Nasdaq	19024	18831	193	1.03%
FTSE	8286	8186	99	1.21%
CAC	7518	7427	91	1.22%
DAX	18418	18299	119	0.65%

Market Roundup

- ▶ The Indian rupee is expected to open flat following stable Asian currencies. The rupee has been resilient among its peers amid the central bank's intervention which absorbed the dollar inflows and made currency compatible. The lower imported commodity prices and stronger macro are also supporting the rupee. The rupee is expected to head lower to catch up with other currencies, even after many positive factors.
- ▶ Technically, spot USDINR has support at 83.45 and resistance at 83.85. This week will remain crucial as the three major central banks of the US, Japan and the UK will announce policy decisions. The RBI is like to follow them on the August 8 meeting.
- ▶ **Forex:**
 - The dollar ends the week nearly unchanged as shares rally following a report that the Federal Reserve's preferred inflation measure edged up marginally in June, supporting bets that rates will be cut at least twice this year. On the macro side, strong growth implied the Fed may delay rate cuts. However, the odds of a September rate cut have now been priced in, and some are speculating about a cut even this week.
 - US Treasury Secretary Janet Yellen firmly rejected an accusation from the economist Nouriel Roubini that her department has manipulated the issuance of Treasury securities in a way that lowers real borrowing costs across the economy.
 - The Bank of England policy decision is almost a coin toss, but the speculative community is long sterling and month-end flows should also weigh on GBP/USD.
- ▶ **Equities:**
 - Last week was a week of turmoil. The markets recovered on Friday after the PCE report and likely a bounce from being oversold.
 - Asian stocks are poised to rise in early trading ahead of a week of key central bank decisions in Japan, the US and the UK, as well as some big tech earnings releases. US stocks surged Friday amid bets looming Federal Reserve rate cuts will help fuel corporate earnings.

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