

March 28, 2019

Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	April futures	Buy	69.23	69.55	69.07	1 day

Other Product offerings

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Currency	Action
-	-

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Spot Currency

Currency	Close	Pvs. Close	% Change
US\$INR	68.88	68.86	0.02
Dollar index	96.77	96.74	0.04
EUR-US\$	1.1244	1.1266	-0.20
GBP-US\$	1.3189	1.3212	-0.17
US\$-JPY	110.51	110.64	-0.12
AUD-US\$	0.7084	0.7135	-0.71
US\$-CHF	0.9949	0.9944	0.05

Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	25626	25658	-0.13
Nasdaq	7308	7351	-0.58
FTSE	7194	7196	-0.03
DAX	11419	11419	0.00
HangSang	28684	28728	-0.15
Nikkei	21019	21379	-1.68
SGX Nifty	11435	11446	-0.10

*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee ended mildly lower at 68.88 vs. US\$ as strength in dollar and rising concerns on global growth weighed on. It is further expected to open slightly lower against dollar tracking overnight dollar strength
- The dollar extended mild gains even as US yields drifted lower in yesterday's session. Uncertainties around Brexit and concerns over global growth are weighing on major central banks. The ECB President signalled on a delay in interest rate hike, which is weighing on the Euro. Upcoming US employment data and US-China trade talks outcome remain key events to be watched

- Equity benchmarks ended the volatile session on a subdued note. The Nifty lost 38 points or 0.3% to settle at 11445
- However, broader markets outperformed as Nifty midcap, small cap rose 0.5 and 1.25%, respectively. The market breadth turned slightly in favour of decline with A/D ratio of 1:1.2

Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.33	7.34	-0.15
US 10-yr	2.37	2.42	-2.33
Eur 10-yr	-0.08	-0.02	440.00
UK 10-yr	1.01	1.01	0.60
JPY 10-yr	-0.07	-0.07	3.08

Commodities

	Close	Pvs. Close	% Change
Gold	1310	1316	-0.47
Copper	285.8	285.1	0.26
Brent	67.8	68.0	-0.21

FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	5028	4139	890
Debt	1284	2131	-847

- Sovereign benchmark treasury yields declined to 7.33% yesterday. Domestic retail inflation for February rose to 2.57% while flows in the debt segment would keep yields contained. Gradually rising crude oil prices will remain in focus in the near term
- US treasury yields fell to 2.37% yesterday amid leading to a resurfacing of global growth concerns as well as Brexit stalemate. Europe and Japan 10-year debt yields have become negative in the last few sessions

- Gold declined on Tuesday tracking gains in the US\$ even as global growth worries should support in at lower levels. The decline in the US\$ remains key for gold to rally sharply higher from present levels
- Oil was lower by over 0.20% yesterday. US weekly reports showed inventories rising by 2.8 mb against previous week's drawdown of 9.6 mb

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 43 crore on March 26, 2019
- FIIs have been net buyers of more than ₹ 45528 crore in March 2019

Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(%) change	
					OI	Vol
April	69.28	0.10	1574475	2436668	37.02	162.36
May	69.51	0.10	292924	253732	34.57	352.25
Apr-May	-0.23	-	-	2182936	-	89.59
May-June	-0.23	-	-	224035	-	88.30

- The dollar-rupee April contract on the NSE was at 69.28 in the previous session. April contract open interest rose 37.02% in the previous session
- We expect the US\$INR to find supports at lower levels. Utilise downsides in the pair to initiate long positions

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	69.00	69.14	69.26	69.40	69.53
US\$INR (May)	69.27	69.39	69.48	69.60	69.70
EURINR (Apr)	78.02	78.20	78.33	78.51	78.64
EURINR (May)	78.44	78.61	78.72	78.89	79.00
GBPINR (Apr)	91.20	91.45	91.62	91.87	92.04
GBPINR (May)	91.63	91.85	91.99	92.22	92.35
JPYINR (Apr)	62.62	62.82	62.93	63.12	63.24
JPYINR (May)	63.01	63.18	63.27	63.44	63.53

US\$INR Strategy

US\$INR April futures contract (NSE)

Buy US\$ in the range of 69.20 -69.26

Market Lot: US\$1000

Target: 69.50 / 69.60

Stop Loss: 69.07

Support

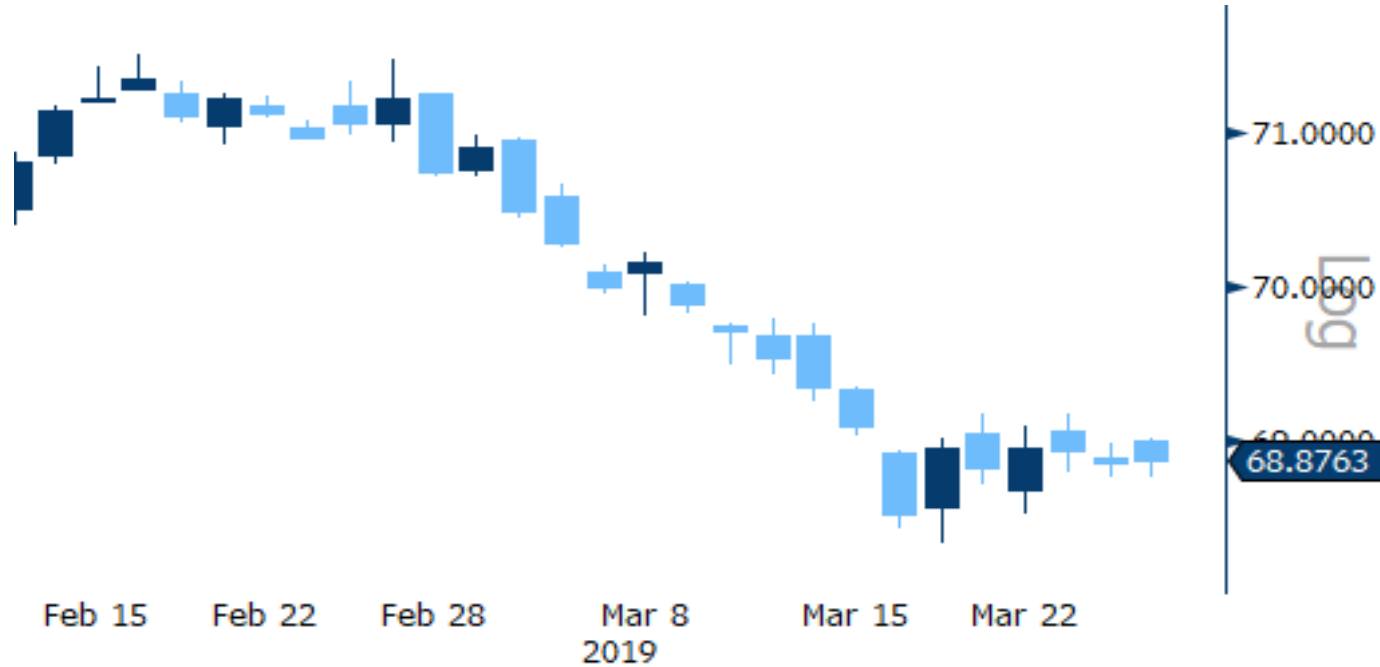
Resistance

S1/ S2: 69.15 / 69.0

R1/R2:69.40 /69.55

*Recommendation initiation message shall be broadcasted on iclick2gain at relevant prices

US\$INR Spot



INR Curncy (Indian Rupee Spot) US\$INR Spot Daily 25MAR2018-28MAR2019 Copyright© 2019 Bloomberg Finance L.P. 28-Mar-2019 08:20:41

Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
27-Mar-19	US\$INR	Sell US\$INR	69.20	69.06	69.29	-90	Exit in loss

Open Recommendations



Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
-	-	-	-	-	-	-	-

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