

October 11, 2019

Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	October futures	Sell	71.05	70.75	71.23	1 day

Other Product offerings

Monthly Currency and Thematic reports

Currency	Action
US\$INR	Buy

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Spot Currency

Currency	Close	Pvs. Close	% Change
US\$-INR	71.07	71.07	-0.01
Dollar index	98.70	99.12	-0.42
EUR-US\$	1.1005	1.0971	0.31
GBP-US\$	1.2443	1.2206	1.94
US\$-CNY	7.1163	7.1328	-0.23
US\$-JPY	107.98	107.48	0.47
US\$-CHF	0.9970	0.9959	0.11

- The rupee ended unchanged yesterday amid ranged moves in major currencies as well as absence of any major market moving data. It is likely to open higher today tracking further gains in CNY as well as soft US\$
- The US\$ index ended lower amid a sharp bounce in GBP and Euro. Revival of Brexit hopes led to a sharp rally in the British Pound. High level US-China trade talks are currently underway. Sentiment has been buoyed by trade deal optimism. Any positive signals could see further gains in EM currencies led by CNY

Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	26497	26346	0.57
S & P 500	2938	2919	0.64
FTSE	7186	7167	0.28
DAX	12164	11925	2.00
HangSang	26072	25708	1.41
Nikkei	21760	21552	0.97
SGX Nifty	11279	11261	0.16

- Equity benchmarks edged lower on the back of weak Asian cues. The Nifty dropped 79 points or 0.7% to settle at 11235
- The market breadth turned in favour of declines with A/D ratio of 1:1.8

*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	6.46	6.45	0.17
US 10-yr	1.67	1.58	5.34
Eur 10-yr	-0.47	-0.55	-14.42
UK 10-yr	0.59	0.46	27.83
JPY 10 yr	-0.20	-0.20	1.50

Commodities

	Close	pvs close	% change
Gold	1494	1506	-0.77
Copper	261.4	256.8	1.77
Brent	59.1	58.3	1.34

FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	5038	5721	-683
Debt	1206	1826	-620
Net			-1303

- Domestic benchmark 10-year yields ended higher at 6.46% on Thursday. Investors are likely to track the government's spending data amid reduction in corporate tax levels
- The US 10-year benchmark yield closed sharply higher at 1.67% yesterday. Positive signals from Brexit coupled with trade deal optimism buoyed yields

- Gold witnessed profit booking amid a spurt in US yields as well as higher risk sentiment. The outcome of US-China trade deal is likely to provide fresh direction to the yellow metal
- Brent oil closed slightly higher at \$59.1/bl, up over 1.34% due to overall gains in risk assets. US agency EIA reported additions of almost 2.92 mb to underground inventories against 3.10 mb of additions in the previous week

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 1303 crore on October 9, 2019
- FIIs have been net sellers of more than ₹ 4714 crore in October 2019

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(%) change	
					OI	Vol
October	71.19	-0.02	1568870	1039374	-2.64	-20.32
November	71.40	-0.01	364497	111586	-1.56	-57.57
Oct-Nov	-0.21	-	-	927788	-	89.26
Nov-Dec	-0.23	-	-	106403	-	95.36

- The dollar-rupee October contract on the NSE was at 71.19 in the previous session. Open interest declined 2.64% in the previous session
- We expect the US\$INR to meet supply pressure at higher levels. Utilise upsides in the pair to initiate short positions

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	70.97	71.08	71.17	71.28	71.38
US\$INR (Nov)	71.18	71.29	71.38	71.49	71.59
EURINR (Oct)	78.00	78.29	78.46	78.74	78.91
EURINR (Nov)	78.41	78.68	78.83	79.09	79.24
GBPINR (Oct)	86.81	87.03	87.18	87.41	87.55
GBPINR (Nov)	87.20	87.42	87.55	87.77	87.90
JPYINR (Oct)	66.04	66.18	66.31	66.45	66.58
JPYINR (Nov)	66.40	66.52	66.62	66.74	66.84

US\$INR Strategy

US\$INR October futures contract (NSE)

Sell US\$ in the range of 71.03 -71.07	Market Lot: US\$1000
Target: 70.80 / 70.70	Stop Loss: 71.23
Support	Resistance
S1/ S2: 71.0 / 70.85	R1/R2:71.20 / 71.35

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

Note: The given recommendation in this report is intraday and should not be linked with positional view & recommendations given in Monthly currency Derivatives and Positional Currency report which may have different view.

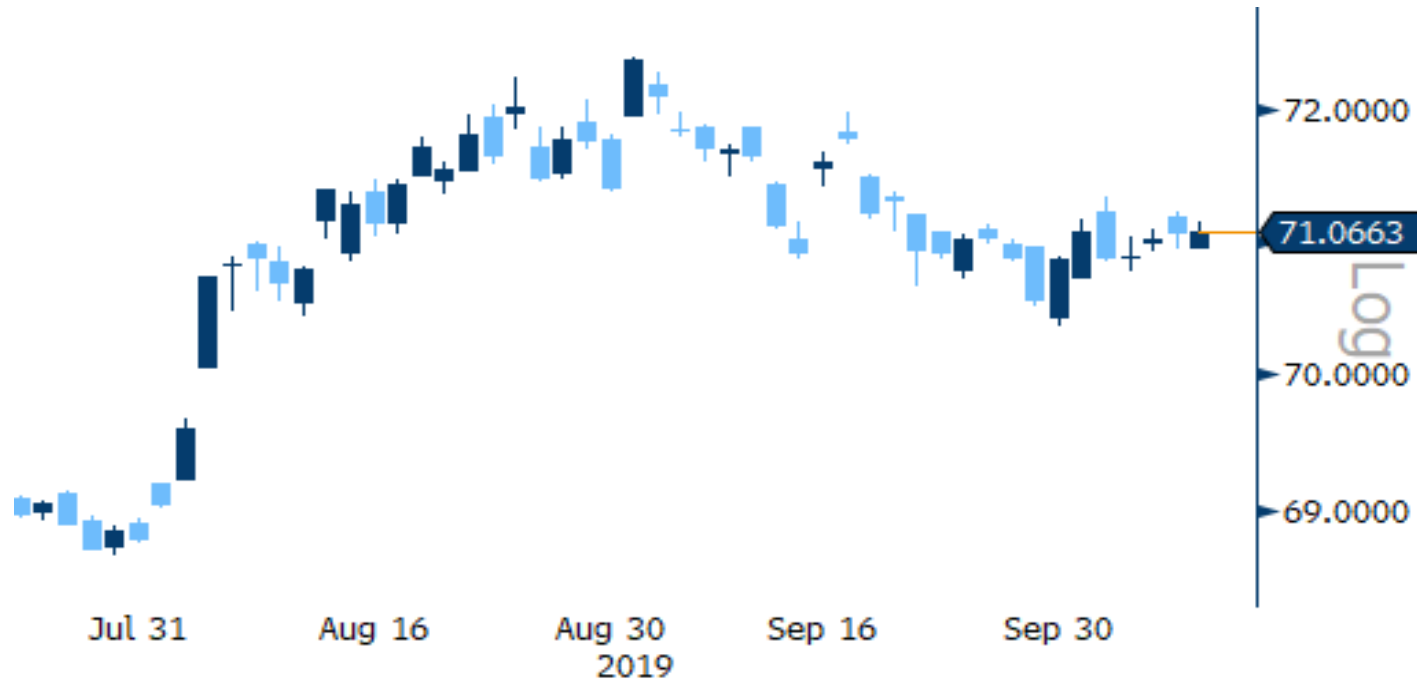
Open Recommendations



Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
9/30/2019	US\$INR	Positional Currency	Buy US\$INR Oct future	71.07	71.80	70.55	Till Oct expiry

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US\$INR Spot



INR Currecy (Indian Rupee Spot) US\$INR Spot Daily 13MAR2019-11OCT2019 Copyright© 2019 Bloomberg Finance L.P. 11-Oct-2019 08:03:15

Strategy update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
10-Oct-19	US\$INR	Buy US\$INR	71.15	71.32	71.03	60	Exit in profit



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