

November 27, 2019

## Daily Currency outlook

### Recommendation in the report

Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	December futures	Sell	71.74	71.50	71.92	1 day

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## Spot Currency

Currency	Close	Pvs. Close	% Change
US\$-INR	71.49	71.73	-0.33
Dollar index	98.25	98.32	-0.07
EUR-US\$	1.1021	1.1014	0.06
GBP-US\$	1.2866	1.2900	-0.26
US\$-CNY	7.0336	7.0364	-0.04
US\$-JPY	109.05	108.93	0.11
US\$-CHF	0.9970	0.9965	0.05

## Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	28122	28066	0.20
S & P 500	3141	3134	0.22
FTSE	7403	7396	0.09
DAX	13236	13246	-0.08
HangSang	26923	26914	0.03
Nikkei	23456	23373	0.36
SGX Nifty	12087	12088	0.00

\*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee closed with decent gains in the previous session, appreciating by 24-paise vs. the US\$ on the back of record highs in domestic equities. Also, domestic markets have witnessed flows of almost \$2.2 billion in November, which is positive for the rupee. It is likely to open with further gains today amid some gains in CNY
- The US\$ index closed with mild losses in the previous session while overall remaining in a range. Investors are keenly following any details on US-China trade deal. Any initial trade deal is likely to improve sentiments towards EM currencies. Appreciation in the CNY is likely to EM currencies, including rupee

- Equity benchmarks witnessed elevated volatility at an all-time high of 12132. The Nifty lost 0.3% to end the session at 12038
- The market breadth turned slightly negative with A/D ratio of 1:1.3

## Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	6.48	6.47	0.19
US 10-yr	1.74	1.76	-0.78
Eur 10-yr	-0.37	-0.35	6.59
UK 10-yr	0.65	0.70	-6.61
JPY 10 yr	-0.09	-0.08	14.29

## Commodities

	Close	pvs close	% change
Gold	1461	1455	0.42
Copper	267.8	264.8	1.13
Brent	64.3	63.7	0.97

## FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	6188	4202	1987
Debt	408	772	-365
Net			1622

- Domestic benchmark 10-year yields ended a bit higher at 6.48% in the previous session. Growing worries over domestic growth as well as hardening US yields could contain a sharp appreciation in domestic debt
- US 10-year benchmark yields ended slightly lower at 1.74%. Investors are likely to track the upcoming US November employment data as well as direction of US-China trade talks

- Gold recouped some of its previous losses and ended up 0.42%. It remains anchored to the outcome of the US-China trade deal as also the Brexit saga
- Brent oil has closed convincingly higher above \$64/b and sustained gains of almost 0.97% ahead of weekly inventory data. US agency EIA is likely to show a mild drawdown of 78,000 barrels against the previous week's addition of 1.37 mb

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 1622 crore on November 25, 2019
- FIIs have been net buyers of more than ₹ 17313 crore in November 2019

## Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
December	71.71	-0.30	1300733	1413907	35.23	174.71
January	71.91	-0.32	218435	72236	15.55	71.71
Dec-Jan	-0.20	-	-	1341671	-	94.89
Jan-Feb	-0.17	-	-	56971	-	78.87

- The dollar-rupee December contract on the NSE was at 71.71 in the previous session. Open interest increased 35.23% 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 (Dec)	71.54	71.62	71.75	71.84	71.97
US\$INR (Jan)	71.75	71.83	71.96	72.04	72.17
EURINR (Dec)	78.91	79.01	79.14	79.23	79.37
EURINR (Jan)	79.30	79.39	79.53	79.63	79.77
GBPINR (Dec)	91.81	92.02	92.38	92.60	92.96
GBPINR (Jan)	92.16	92.37	92.72	92.93	93.28
JPYINR (Dec)	65.76	65.84	65.97	66.05	66.18
JPYINR (Jan)	65.75	66.01	66.48	66.74	67.21

## US\$INR Strategy

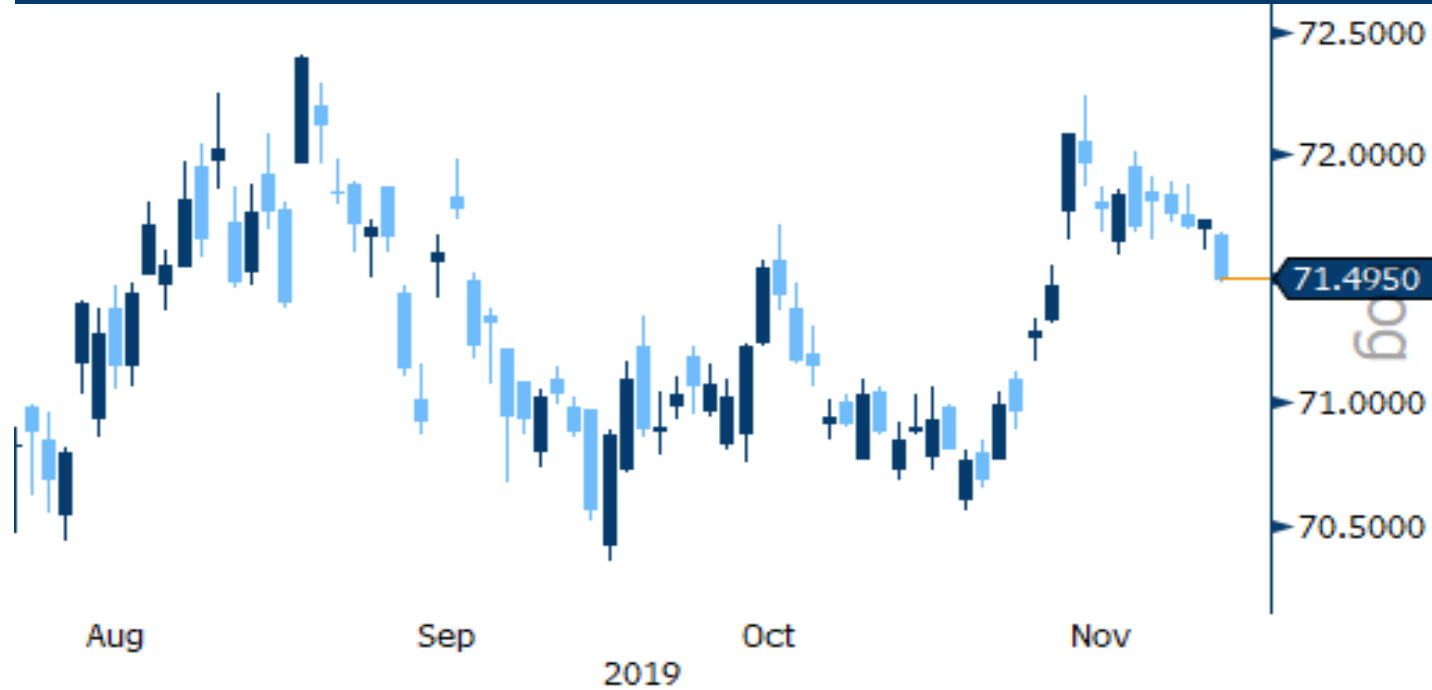
### US\$INR December futures contract (NSE)

Sell US\$ in the range of 71.72 -71.76	Market Lot: US\$1000
Target: 71.55 / 71.45	Stop Loss: 71.92
Support	Resistance
S1/ S2: 71.60 / 71.45	R1/R2:71.80 / 72.0

\*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.

## US\$INR Spot



INR Curncy (Indian Rupee Spot) US\$INR Spot Daily 13MAR2019-27NOV2019 Copyright© 2019 Bloomberg Finance L.P. 27-Nov-2019 08:00:52

### Strategy update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
26-Nov-19	US\$INR	Sell US\$INR	71.66	71.48	71.78	120	Exit in profit



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