

January 30, 2020

# Daily Currency outlook

**Other Product offerings**

## Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	February futures	Buy	71.45	71.60	71.35	1 day

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## Spot Currency

Currency	Close	Pvs. Close	% Change
US\$-INR	71.26	71.34	-0.11
Dollar index	97.99	98.02	-0.03
EUR-US\$	1.1010	1.1022	-0.11
GBP-US\$	1.3021	1.3028	-0.05
US\$-CNY	6.9109	6.9109	0.00
US\$-JPY	109.02	109.15	-0.10
US\$-CHF	0.9732	0.9731	-0.06

- The rupee on Wednesday appreciated by 7 paise to end at 71.24 against the US dollar following gains in the domestic equity market. It seems to be consolidating as market participants are assessing the economic implications of the coronavirus outbreak and awaiting cues from the Union Budget
- The US Dollar Index edged up 0.1% for the day to 98.06, as the Fed kept its monetary policy stance unchanged in the backdrop of uncertainty

## Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	28734	28723	0.04
S & P 500	3273	3276	-0.09
FTSE	7484	7481	0.04
DAX	13345	13324	0.16
HangSang	26781	27161	-1.40
Nikkei	23073	23379	-1.31
SGX Nifty	12111	12133	-0.18

- Equity benchmarks staged a strong comeback after declining over the past two sessions as the Nifty rose 0.6% to end on Wednesday at 12130. The market breadth turned positive as A/D ratio of 1.2:1
- The Bank Nifty snapped a two session decline and ended up 0.4% on Wednesday on the back of a rebound in the global market. The pullback was broad based as eight out of the 12 index constituents ended in the green. The Bank Nifty ended the session at 30877, up by 115 points or 0.4%

\*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

## Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	6.57	6.58	-0.11
US 10-yr	1.58	1.66	-4.37
Eur 10-yr	-0.38	-0.34	10.56
UK 10-yr	0.52	0.55	-6.52
JPY 10 yr	-0.04	-0.04	0.00

## Commodities

	Close	pvs close	% change
Gold	1577	1567	0.62
Copper	255.4	258.0	-0.99
Brent	59.8	59.5	0.50

## FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	4965	5751	-786
Debt	497	1721	-1224
Net			-2010

- Indian bonds edged lower ahead of a ₹ 13000 crore (\$1.8 billion) treasury-bill sale. The 10-year yield rose 1 bps to 6.59% after climbing 2 bps on Tuesday
- The yield on the 10-year US treasury note dropped to its lowest closing level in over three months on Wednesday. This was on the back of the spreading coronavirus causing airlines to cancel flights to China and the Federal Reserve doing little to change investors' expectations that it could cut interest rates later in the year

- Gold held an advance after the Federal Reserve continued to signal policy would stay on hold and cited inflation concerns while the spread of the novel coronavirus boosted demand for havens
- Oil resumed declines as the biggest jump in US crude stockpiles in almost three months added to concern over weak demand in a market already grappling with China's spreading coronavirus

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 2010 crore on January 28, 2019
- FIIs have been net buyers of more than ₹ 3204 crore in January 2020

## Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
February	71.47	-0.10	1441169	1364342	8.03	34.66
March	71.71	-0.09	237860	141971	20.59	121.74
FEB-MAR	-0.23	-	-	1222371	-	89.59
MAR-APR	0.00	-	-	0	-	0.00

- The dollar-rupee February contract on the NSE was at 71.47 in the previous session. Open interest increased by more than 8% in the previous session
- Utilise downsides in the pair to initiate long positions

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	71.19	71.20	71.16	71.16	71.12
US\$INR (Mar)	71.46	71.45	71.39	71.38	71.31
EURINR (Feb)	78.43	78.44	78.36	78.37	78.28
EURINR (Mar)	78.79	78.79	78.70	78.70	78.61
GBPINR (Feb)	92.78	92.83	92.55	92.61	92.33
GBPINR (Mar)	93.06	93.06	92.96	92.96	92.85
JPYINR (Feb)	65.25	65.27	65.17	65.19	65.09
JPYINR (Mar)	65.60	65.59	65.49	65.48	65.38

## US\$INR Strategy

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

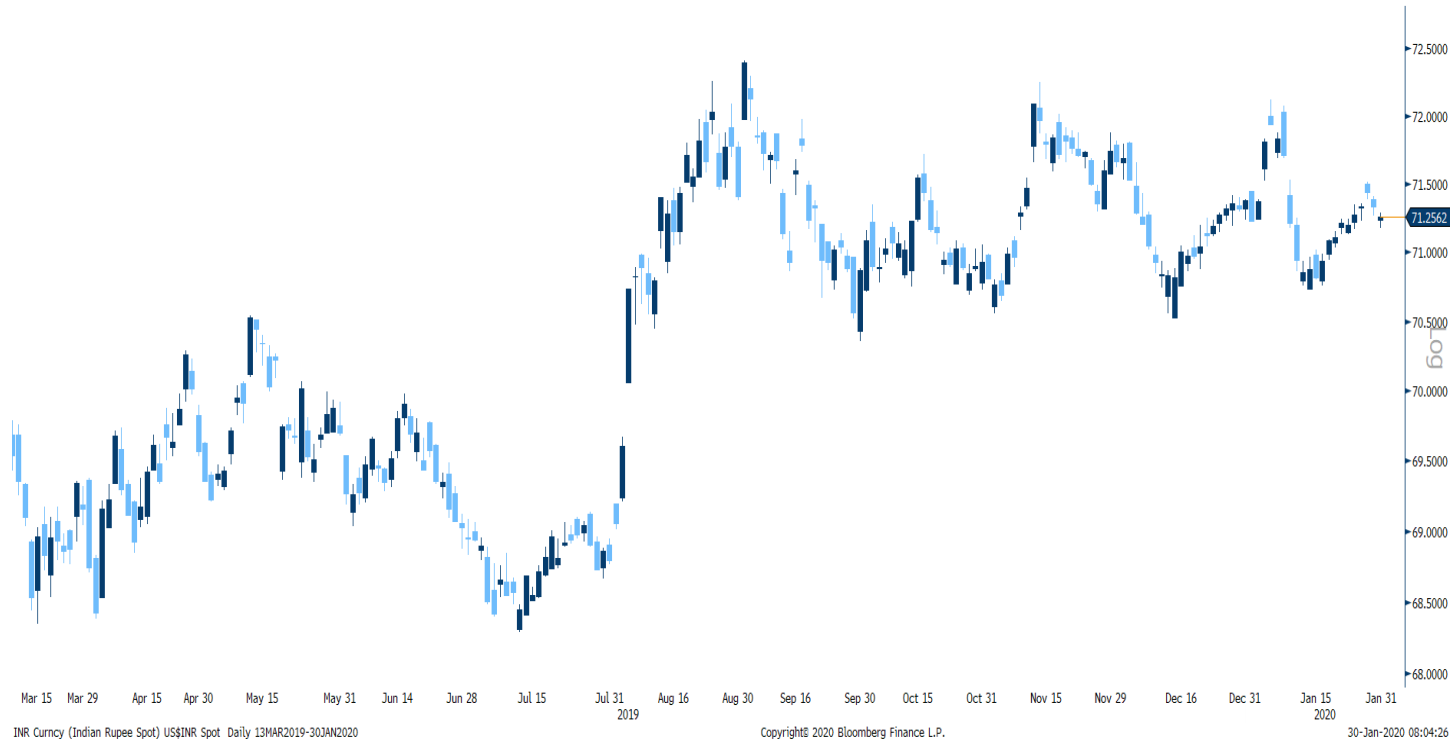
Buy US\$ in the range of 71.44-71.46	Market Lot: US\$1000
Target: 71.60 / 71.70	Stop Loss: 71.35
Support: 71.35/71.25	Resistance: 71.60/71.75

\*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



### Strategy update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
29-Jan-20	US\$INR	Sell US\$INR	71.55	71.40	71.65	0	Not initiated



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