

February 27, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	February futures	Sell	72.05	71.85	72.20	1 day

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Spot Currency

Currency	Close	Pvs. Close	% Change
US\$-INR	71.66	71.89	-0.31
Dollar index	99.00	98.97	0.03
EUR-US\$	1.0881	1.0882	-0.01
GBP-US\$	1.2905	1.3005	-0.77
US\$-CNY	7.0227	7.0136	0.13
US\$-JPY	110.43	110.20	-0.16
US\$-CHF	0.9768	0.9761	-0.31

Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	26958	27081	-0.46
S & P 500	3116	3128	-0.38
FTSE	7042	7018	0.35
DAX	12775	12790	-0.12
HangSang	26466	26893	-0.87
Nikkei	22010	22605	-1.85
SGX Nifty	11678	11818	-0.40

- The rupee managed to rise 20 paise and closed at 71.66 in the last trading session, in line with other Asian currencies as crude oil prices fell another 2%
- The Dollar Index rose marginally and ended at 99 levels amid risk-off sentiment as focus stays on Covid-19. However, after consolidation near this level for a couple of days, it is likely to test 100 levels, which will keep emerging market currency move in check

- Equity benchmarks ended Wednesday's session on a negative note tracking weak global cues owing to the fast spreading Coronavirus and its impact on the global economy
- The Nifty ended the session at 11679, down 120 points or 1%

*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	6.35	6.33	0.24
US 10-yr	1.34	1.35	-1.11
Eur 10-yr	-0.51	-0.51	-1.37
UK 10-yr	0.50	0.52	-2.89
JPY 10 yr	-0.09	-0.10	-17.31

- The yield on the 10-year bond rose 0.25% and ended at 6.35 compared to 6.33 in its previous session
- US treasury bonds fell another 1% on Wednesday as the accelerating spread of COVID-19 outside China kept investors on the edge and drove stocks lower for a fifth day

Commodities

	Close	pvs close	% change
Gold	1641	1635	0.36
Copper	257.3	257.8	-0.21
Brent	53.4	55.0	-2.77

- Gold rose for the seventh time in eight days as investors continued to weigh the impact of the Coronavirus outbreak, with comments by the Trump administration failing to allay concerns about the disease
- Crude oil prices fell another 2.7% as prospects of weaker demand continues to grip energy markets

FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	5724	7562	-1838
Debt	698	758	-60
Net			-1898

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 1898 crore in equities on February 25, 2019. For the month, they remained net buyers of ₹ 18756 crore

Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
March	71.89	-0.32	1969601	2719223	39.91	107.72
April	72.13	-0.30	491654	305482	7.80	310.67
MAR-APR	-0.24	-	-	2413741	-	88.77
APR-MAY	0.00	-	-	0	-	0.00

- The dollar-rupee February contract on the NSE was at 71.9 in the previous session. Open interest rose 39.9% in the previous session
- Utilise upsides in the pair to initiate short positions

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	71.69	71.79	71.91	72.01	72.13
US\$INR (Apr)	71.92	72.02	72.16	72.26	72.39
EURINR (Mar)	78.19	78.31	78.44	78.56	78.68
EURINR (Apr)	78.57	78.68	78.81	78.92	79.06
GBPINR (Mar)	92.60	92.82	93.22	93.45	93.85
GBPINR (Apr)	92.97	93.19	93.58	93.79	94.19
JPYINR (Mar)	64.90	65.04	65.25	65.39	65.61
JPYINR (Apr)	64.96	65.21	65.45	65.70	65.94

US\$INR Strategy

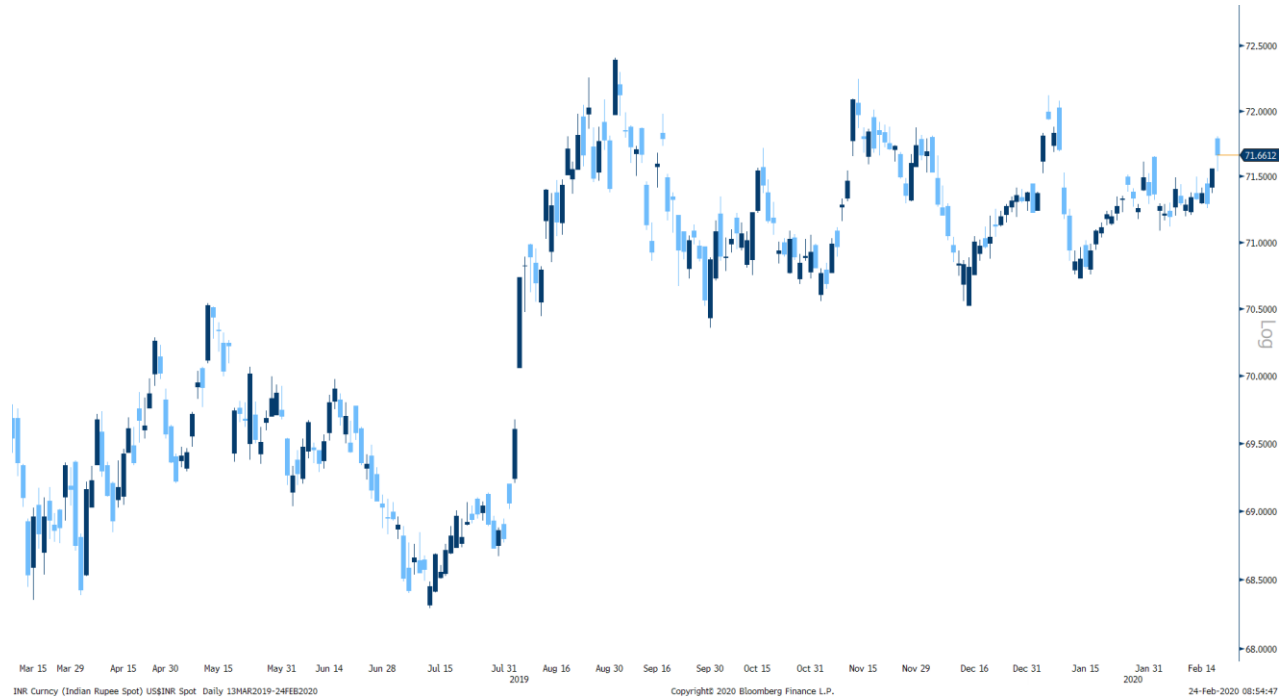
US\$INR February futures contract (NSE)

Sell US\$ in the range of 72.00-72.10	Market Lot: US\$1000
Target: 71.90/ 71.80	Stop Loss: 72.20
Support: 71.75/71.60	Resistance: 72.15/72.25

*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



Strategy update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
26-Feb-20	US\$INR	Buy US\$INR	71.75	72.00	71.60	0	Not initiated



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