

May 11, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	May futures	Buy	75.55	76.00	75.40	1 day

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Spot Currency

Currency	Close	% Change
US\$-INR	75.54	-0.28
EUR-INR	82.05	-0.04
GBP-INR	93.99	0.33
JPY-INR	0.710	-0.48

Global Bonds

Indices	Close	% Change
India 10 Year	5.97	-0.01
India 2 Year	4.30	-0.01
US 10 Year	0.70	0.02
US 2 Year	0.16	-0.07
Germany 10 Year	-0.53	0.03

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	26392	9269	17123
Debt	807	967	-160
Net			16963

Source: Bloomberg, ICICI Direct Research

- As domestic equities ended positive, the rupee inched higher and ended near 75.54. However, it is likely to trade in a range of 75-76 due to no clarity on another round of fiscal stimulus by government

- The Dollar index remained largely in a range last week as the US shed 20.5 million jobs in April, which is the steepest since great depression. However, opening of economies globally is raising hope

- On Friday, the Nifty ended with a gain of 52 points at 9251 after falling 150 points from its day's high. Sectorally, action was seen in pharma, FMCG and technology stocks while selling was seen in banking, auto and capital good stocks

- Post a positive start, the Bank Nifty failed to hold on to gains as selling continued in private as well as PSU banks. On the options front, major additions were seen in 19000 Put strike

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 16963 crore on May 7, 2020. In the debt segment, they sold almost ₹ 3001 crore for the month

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(%) change	
					OI	Vol
May	75.74	1.00	2332272	2082334	3.41	29.28
June	76.04	1.00	601632	434642	26.51	61.96
May-June	-0.30	-	1730640		-	79.13

- The dollar-rupee contract on the NSE was at 75.74 in the last session. The open interest rose almost 3.4% during the last session
- The US\$INR pair is likely to trade in a range unless clarification come from the government on another round of fiscal stimulus

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	75.65	75.84	75.97	76.16	76.29
US\$INR (June)	75.96	76.15	76.28	76.46	76.59
EURINR (May)	81.69	81.93	82.17	82.41	82.66
EURINR (June)	82.05	82.25	82.45	82.64	82.85
GBPINR (May)	93.49	93.77	94.13	94.42	94.78
GBPINR (June)	93.32	93.83	94.32	94.83	95.32
JPYINR (May)	93.49	93.77	94.13	94.42	94.78
JPYINR (June)	93.32	93.83	94.32	94.83	95.32

US\$INR Strategy

US\$INR May futures contract (NSE)

Buy US\$ in the range of 75.50-75.60

Market Lot: US\$1000

Target: 75.90/ 76.00

Stop Loss: 75.4

Support: 75.30/75.50

Resistance: 76.00/76.20

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.



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