

May 12, 2020

# Daily Currency outlook

## Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	May futures	Buy	75.75	76.10	76.60	1 day

### Research Analysts

**Amit Gupta**

amit.gup@icicisecurities.com

**Nandish Patel**

nandish.patel@icicisecurities.com

**Raj Deepak Singh**

rajdeepak.singh@icicisecurities.com

**Dipesh Dedhia**

dipesh.dedhia@icicisecurities.com

## Spot Currency

Currency	Close	% Change
US\$-INR	75.74	0.26
EUR-INR	82.04	0.19
GBP-INR	93.61	-0.12
JPY-INR	0.700	-0.65

## Global Bonds

Indices	Close	% Change
India 10 Year	6.16	0.03
India 2 Year	4.36	0.01
US 10 Year	0.70	0.00
US 2 Year	0.17	0.06
Germany 10 Year	-0.51	-0.04

## FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	5944	3762	2183
Debt	467	2853	-2386
Net			-203

Source: Bloomberg, ICICI Direct Research

- The rupee moved higher towards 76 levels as the number of Covid-19 cases continued to rise in India. Strengthening of the Dollar index and negative domestic equities weighed on investor sentiment

- The Dollar index started the week on optimistic note and moved above 100 levels. However, last week it faced difficulty at higher levels. We feel the range can be broken only if it closes above 100.60 levels

- Choppiness in the index remained high as it continued to face selling pressure near 9400. Leading private banks along with select pharma and financials witnessed profit booking at higher levels

- On Monday, the Bank Nifty underperformed the Nifty. 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 19500 Call strike

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 203 crore on May 8, 2020. In the debt segment, they sold almost ₹ 5387 crore for the month

## Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(%) change	
					OI	Vol
May	75.94	0.27	2273052	1442585	-2.54	-30.72
June	76.24	0.27	655890	223412	9.02	-48.60
May-June	-0.30	-	1617162		-	84.51

- The dollar-rupee contract on the NSE was at 75.94 in the last session. The open interest fell by almost 2.5% during the last session
- The US\$INR pair is likely to move higher as Covid-19 cases are increasing. The Dollar index is trading in a range. If it manages to close above 100.60 levels, most EM currencies will further depreciate

## 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 75.70-75.80

Market Lot: US\$1000

Target: 76.00/ 76.20

Stop Loss: 75.6

Support: 75.34/75.6

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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Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto:pankaj.pandey@icicisecurities.com)

ICICI Direct Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruiti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
[research@icicidirect.com](mailto:research@icicidirect.com)

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I/We, Amit Gupta B.E, MBA (Finance), Raj Deepak Singh BE, MBA (Finance), Nandish Patel BCOM, Dipesh Dedhia BCOM, MBA (Finance), authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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