

May 13, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	May futures	Buy	75.35	75.80	75.15	1 day

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Spot Currency

Currency	Close	% Change
US\$-INR	75.50	-0.31
EUR-INR	82.60	-0.46
GBP-INR	92.47	-1.16
JPY-INR	0.710	0.04

Global Bonds

Indices	Close	% Change
India 10 Year	6.16	0.00
India 2 Year	4.36	0.00
US 10 Year	0.66	-0.05
US 2 Year	0.16	-0.08
Germany 10 Year	-0.52	0.01

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	5441	4792	649
Debt	577	3839	-3263
Net			-2614

Source: Bloomberg, ICICI Direct Research

- The rupee further appreciated by 22 paise against the US dollar amid a sharp reversal in domestic equities from lower levels and weakness in the dollar
- Despite advances on Monday, the Dollar index failed to generate the same pace on Tuesday where it consolidated near 100 levels. NFIB index, Fedspeak and CPI figures will now decide the direction from here

- The Nifty opened below 9200, triggering huge volatility tracking weak global cues. However, it managed to recover 100 points from its support of 9000 as a recovery was seen in technology, auto and metals stocks
- On Tuesday, the Bank Nifty opened gap down and stayed volatile throughout the day. However, a recovery was seen in Axis Bank, IndusInd Bank and PSU banks, which led the index to recover its early intraday losses

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 2614 crore on May 11, 2020. In the debt segment, they sold almost ₹ 8765 crore for the month

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
May	75.39	-0.72	2118504	2244314	-6.80	55.58
June	75.69	-0.73	728847	357801	11.12	60.15
May-June	-0.30	-	1389657		-	84.06

- The dollar-rupee contract on the NSE was at 75.39 in the last session. The open interest fell by almost 6.8% during the last session
- As government announced ₹ 20 lakh crore stimulus, the rupee will see volatility in coming days. However, the US\$INR pair can witness support near 75 levels once this volatility cools off

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	74.86	75.13	75.61	75.87	76.35
US\$INR (June)	75.16	75.42	75.90	76.17	76.65
EURINR (May)	81.24	81.48	81.85	82.09	82.45
EURINR (June)	81.69	81.88	82.19	82.38	82.69
GBPINR (May)	92.64	92.92	93.34	93.62	94.04
GBPINR (June)	93.00	93.26	93.67	93.94	94.35
JPYINR (May)	70.52	70.86	71.22	71.56	71.92
JPYINR (June)	71.02	71.24	71.39	71.61	71.76

US\$INR Strategy

US\$INR May futures contract (NSE)

Buy US\$ in the range of 75.30-75.40

Market Lot: US\$1000

Target: 75.50/ 75.80

Stop Loss: 75.15

Support: 75.00/75.2

Resistance: 75.6/75.80

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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