

May 15, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	May futures	Sell	75.65	75.30	75.80	1 day

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Spot Currency

Currency	Close	% Change
US\$-INR	75.56	0.09
EUR-INR	81.57	0.06
GBP-INR	92.10	-0.07
JPY-INR	0.711	0.70

Global Bonds

Indices	Close	% Change
India 10 Year	6.06	-0.01
India 2 Year	4.35	-0.01
US 10 Year	0.63	-0.02
US 2 Year	0.15	-0.04
Germany 10 Year	-0.53	0.02

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	6490	6359	131
Debt	1161	1444	-282
Net			-151

Source: Bloomberg, ICICI Direct Research

- The rupee slipped 10 paise and ended at 75.56 as traders fear concerns how the ₹ 20 lakh package would be financed as there is no clarity from the government

- The Dollar index has moved near its previous high and ended near 100.30 levels. However, trade war fears and rise in US initial claims data would be key factors deciding the trend of Dollar Index

- The Nifty witnessed significant losses in the last session on account of profit booking following weak global cues. Sectorally, action was seen in select pharma and FMCG stocks whereas profit taking was seen in BFSI, metals and technology stocks

- In the last session, the Bank Nifty opened sharply lower and remained under pressure throughout the day. It witnessed a sharp decline as relentless selling was seen in leading private as well as PSU banks

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 151 crore on 13 May, 2020. In the debt segment, they sold almost ₹ 13002 crore for the month

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
May	75.64	0.33	1937416	1755327	-3.08	-10.48
June	75.93	0.33	843274	259845	9.49	-5.36
May-June	-0.29	-	1094142		-	85.20

- The dollar-rupee contract on the NSE was at 75.64 in the last session. The open interest fell by almost 3.1% during the last session
- The Dollar index has moved near its previous supply line. If it retraces towards 100 again, EM curries will see a pullback. This may help the rupee to appreciate as, overall, it is expected to trade in a range

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)

Sell US\$ in the range of 75.60-75.70

Market Lot: US\$1000

Target: 75.40/ 75.30

Stop Loss: 75.80

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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