

May 18, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	May futures	Sell	75.90	75.60	76.10	1 day

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Spot Currency

Currency	Close	% Change
US\$-INR	75.56	0.09
EUR-INR	81.98	0.43
GBP-INR	91.89	-0.42
JPY-INR	0.700	-0.07

Global Bonds

Indices	Close	% Change
India 10 Year	6.08	0.00
India 2 Year	4.36	0.00
US 10 Year	0.65	0.03
US 2 Year	0.15	0.00
Germany 10 Year	-0.53	0.00

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	4623	6954	-2331
Debt	1463	7110	-5647
Net			-7978

Source: Bloomberg, ICICI Direct Research

- The rupee further depreciated marginally and ended at 75.56 last week. Choppy equities along with no clear direction in the US Dollar index was the main reason
- The Dollar index strengthened last week and moved towards 100.5. It climbed on FOMC remarks pushing back negative interest rate policy

- The Nifty faced stiff resistance near 9500 and remained mostly range bound between 9000 and 9500. The highest Put options base is still intact at 9000 strike with premium of close to 180
- In the current leg of Nifty consolidation, the Bank Nifty relatively underperformed within a broader trading range of 18000 to 20000. Stock specific action was seen where short covering was seen in PSU banks. However, it again gave up its gains

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 7978 crore on May 14, 2020. In the debt segment, they sold almost ₹ 18647 crore for the month

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
May	75.88	0.32	1838438	1640749	-5.11	-6.53
June	76.16	0.31	904415	249069	7.25	-4.15
May-June	-0.28	-	934023		-	84.82

- The dollar-rupee contract on the NSE was at 75.88 in the last session. The open interest fell almost 5.1% during the last session
- The Dollar index has moved near its previous supply line of 100.5. If it retraces towards 100 again, EM currencies will see a pullback. This may help the rupee to appreciate as overall its expected to trade in range. It has approached near its sizeable Call base of 76

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	75.31	75.60	75.76	76.05	76.21
US\$INR (June)	75.60	75.88	76.04	76.32	76.48
EURINR (May)	81.21	81.60	81.83	82.23	82.46
EURINR (June)	81.60	81.95	82.16	82.51	82.72
GBPINR (May)	92.02	92.29	92.45	92.72	92.89
GBPINR (June)	92.36	92.60	92.76	93.00	93.15
JPYINR (May)	70.09	70.51	70.77	71.19	71.44
JPYINR (June)	70.39	70.77	70.99	71.37	71.58

US\$INR Strategy

US\$INR May futures contract (NSE)

Sell US\$ in the range of 75.85-75.95

Market Lot: US\$1000

Target: 75.70/ 75.60

Stop Loss: 76.1

Support: 75.50/75.60

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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