

May 20, 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	75.64	-0.56
EUR-INR	82.68	0.12
GBP-INR	92.62	0.37
JPY-INR	0.700	-0.92

Global Bonds

Indices	Close	% Change
India 10 Year	6.04	0.00
India 2 Year	4.40	0.00
US 10 Year	0.69	-0.03
US 2 Year	0.17	-0.03
Germany 10 Year	-0.47	0.00

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	4681	7203	-2523
Debt	1691	3228	-1537
Net			-4060

Source: Bloomberg, ICICI Direct Research

- On the back of initial success in Covid-19 vaccine trail, the rupee ended higher by 25 paise at 75.64. However, selling in domestic equities and sharp bounce in crude oil prices kept the rupee move in check
- After Monday's loss, the Dollar index consolidated below 100 levels. Now the attention is on testimony of Fed Chair Jerome Powell and housing data

- The Nifty finally ended positive after a huge sell-off was seen at the start of the week. However, 9000 continued to act as the supply zone. We feel a close above 9000 only would trigger more upsides
- The Bank Nifty continued to remain a laggard despite strengthening rupee. Huge Call writing was observed in OTM Calls, which will keep the banking and financial move in check

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 4060 crore on May 18, 2020. In the debt segment, they sold almost ₹ 18547 crore for the month

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(%) change	
					OI	Vol
May	75.67	-0.52	1785815	1765399	-1.09	9.15
June	75.95	-0.51	1000801	356358	0.74	-9.46
May-June	-0.28	-	785014		-	79.81

- The dollar-rupee contract on the NSE was at 75.67 in the last session. The open interest fell by almost 1.1% during the last session
- Positive domestic equity and successful trail of vaccine weighed on the rupee yesterday. However, we feel the rupee will consolidate in a range and again move towards 76 levels

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)

Buy US\$ in the range of 75.50-75.60

Market Lot: US\$1000

Target: 75.80/ 76.00

Stop Loss: 75.40

Support: 75.40/75.50

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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