

May 28, 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	75.60	1 day

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## Spot Currency

Currency	Close	% Change
US\$-INR	75.72	0.10
EUR-INR	83.30	0.60
GBP-INR	92.74	-0.30
JPY-INR	0.700	-0.10

## Global Bonds

Indices	Close	% Change
India 10 Year	5.98	0.00
India 2 Year	4.32	0.00
US 10 Year	0.69	0.00
US 2 Year	0.19	0.09
Germany 10 Year	-0.41	-0.05

## FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	11762.32	6980.24	4782.08
Debt	339.03	227.8	111.23
Net			4893.31

Source: Bloomberg, ICICI Direct Research

- The rupee depreciated marginally and ended at 75.72 against the US dollar as rising tensions between the US and China escalated along with no major revival seen in the global economy

- The rally in equities left the forex markets behind with the Dollar index remaining muted below 99.5 levels. Rising tensions between the US and China kept the index move in check

- After witnessing support near 9000 in early trade, the Nifty witnessed a sharp recovery in the last session and rallied nearly 285 points to end above 9300. Sectorally, buying was seen in BFSI, metals and capital goods whereas profit taking was seen in the pharma space

- Ahead of expiry, short covering was clearly visible in banking stocks, which led the Bank Nifty to reclaim 18500. Axis Bank was the leader whereas most private, PSU banks saw large upsides

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 4893 crore on May 25, 2020. In the debt segment, they sold almost ₹ 19908 crore for the month

## Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
June	75.89	0.29	1662705	1991000	25.69	9.36
July	76.10	0.30	266757	320890	-81.88	-72.27
June-July	-0.21	-	1395948		-	83.88

- The dollar-rupee contract on the NSE was at 75.89 in the last session. The open interest rose by almost 25.7% during the last session
- As the Dollar index remained in a range, no clear trend is seen in EM currencies where the rupee also followed the same trend. However, we feel a close above 76 would be needed for any further upsides

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	75.66	75.77	75.88	75.99	76.10
US\$INR (July)	75.89	75.99	76.10	76.21	76.32
EURINR (June)	82.77	83.19	83.42	83.84	84.07
EURINR (July)	83.00	83.43	83.66	84.08	84.32
GBPINR (June)	93.06	93.28	93.45	93.67	93.84
GBPINR (July)	93.25	93.49	93.71	93.95	94.17
JPYINR (June)	70.21	70.31	70.46	70.56	70.70
JPYINR (July)	70.48	70.56	70.70	70.77	70.91

## 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/ 76.10

Stop Loss: 75.60

Support: 75.4/75.60

Resistance: 76.00/76.30

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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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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