

June 1, 2020

## Daily Currency outlook

### Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	June futures	Sell	76.05	75.70	76.20	1 day

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## Spot Currency

Currency	Close	% Change
US\$-INR	75.62	-0.20
EUR-INR	84.08	0.35
GBP-INR	93.30	0.10
JPY-INR	0.710	-0.20

## Global Bonds

Indices	Close	% Change
India 10 Year	6.01	0.00
India 2 Year	4.28	-0.01
US 10 Year	0.66	-0.01
US 2 Year	0.16	-0.02
Germany 10 Year	-0.45	0.05

## FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	8835.62	6839.95	1995.67
Debt	605.19	993.92	-388.73
Net			1606.94

Source: Bloomberg, ICICI Direct Research

- The rupee appreciated from its sizeable Call base of 76 and ended at 75.62. Correction in Dollar index, positive domestic equities and fund inflow boosted investors sentiment
- The Dollar index fell towards its lowest levels since March 16 as US market rallied nearly 4% for the week. Uncertainty regarding the trade deal with China and no major comment by the US President triggered profit booking in safe haven.

- Post a gap down opening, the Nifty witnessed support near 9375. Then, it saw a sharp pullback and rallied nearly 90 points to end at 9580. Auto, along with pharma and FMCG, were leaders whereas other heavyweights provided support
- The Bank Nifty rose for a third consecutive session on the back of strong short covering in midcap and select private banks. It saw a sharp surge in the second half from the low of 18655, as it ended positive at 19099

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 514 crore on May 26, 2020. In the debt segment, they sold almost ₹ 20450 crore for the month

## Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(%) change	
					OI	Vol
June	75.79	-0.30	1563735	1521445	-4.14	-3.93
July	76.00	-0.30	274196	143913	-3.56	-0.11
June-July	-0.22	-	1289539		-	90.54

- The dollar-rupee contract on the NSE was at 75.79 in the last session. The open interest fell by almost 4.1% during the last session
- The Dollar index fell towards its lowest levels since March 16 as US market rallied nearly 4% for the week. We feel EM currencies will witness a round of appreciation

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	75.59	75.74	75.92	76.07	76.25
US\$INR (July)	75.79	75.95	76.15	76.30	76.51
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)

Sell US\$ in the range of 76.00-76.10

Market Lot: US\$1000

Target: 75.80/ 75.60

Stop Loss: 76.20

Support: 75.7/75.80

Resistance: 76.30/76.40

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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