

June 9, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	June futures	Sell	75.75	75.50	75.92	1 day

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Spot Currency

Currency	Close	% Change
US\$-INR	75.54	-0.05
EUR-INR	85.24	-0.34
GBP-INR	95.54	-0.63
INR-JPY	0.69	0.00

Global Bonds

Indices	Close	% Change
India 10 Year	5.80	-0.36
India 2 Year	4.29	-0.02
US 10 Year	0.90	0.67
US 2 Year	0.21	0.00
Germany 10 Year	-0.30	6.01

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	4611	4602	10
Debt	239	607	-367
Net			-358

Source: Bloomberg, ICICI Direct Research

- The rupee remained quite range bound and ended marginally higher at 75.54 against the US\$. The upcoming Fed outcome during the week is likely to provide further directional movement in currencies after witnessing some appreciation in the recent days against the US\$

- The dollar remains under pressure in the backdrop of risk appetite trends, in turn, sustained by the reopening of the economy and recent better-than-expected results from key companies. The FOMC meeting on Wednesday is crucial to move above 98 levels once again

- The Nifty saw sharp upsides, moving up almost 200 points during the session and ended with a gain of 25 points due to profit taking in auto, cement, metal and select banking stocks. On the option front, 10300 Call strike has maximum OI that may act as immediate hurdle on upsides

- Post gap up opening, the Bank Nifty almost rallied 600 points but it was unable to hold on to its gains as profit booking was seen in leading private as well as PSU banks from higher levels

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 358 crore on June 5, 2020. At the same time, they sold almost ₹ 357 in the debt market. In the first week of the month, FIIs have bought close to ₹ 17924 crore in equities

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(%) change	
					OI	Vol
June	75.68	-0.16	1647863	1486439	-4.66	-21.49
July	75.88	-0.18	635468	245371	11.25	10.83
Jun-Jul	-0.36	-	-	1406221	-	83.49

- The dollar-rupee contract on the NSE was at 75.68 in the last session. The open interest declined almost 4.6% in the June series while it has increased almost 11% in the July series
- The dollar remains under pressure in the backdrop of risk appetite trends while most Asian currencies remain flat. We expect the rupee to witness some appreciation in the near term

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	75.41	75.55	75.68	75.81	75.95
US\$INR (Jul)	75.63	75.75	75.89	76.01	76.15
EURINR (Jun)	85.00	85.17	85.46	85.63	85.91
EURINR (Jul)	85.31	85.46	85.68	85.82	86.04
GBPINR (Jun)	95.12	95.44	95.86	96.18	96.60
GBPINR (Jul)	95.34	95.66	96.11	96.43	96.87
JPYINR (Jun)	68.88	69.04	69.16	69.32	69.45
JPYINR (Jul)	69.10	69.23	69.35	69.48	69.60

US\$INR Strategy

US\$INR Jun futures contract (NSE)

Sell US\$ in the range of 75.73-75.77	Market Lot: US\$1000
Target: 75.50/ 75.35	Stop Loss: 75.92
Support: 75.50/75.30	Resistance: 75.92/76.05

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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