

June 11, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	June futures	Sell	75.75	75.45	75.88	1 day

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Spot Currency

Currency	Close	% Change
US\$-INR	75.58	-0.04
EUR-INR	85.84	0.16
GBP-INR	96.54	0.48
INR-JPY	0.71	1.43

Global Bonds

Indices	Close	% Change
India 10 Year	5.77	0.00
India 2 Year	4.33	0.70
US 10 Year	0.78	-4.88
US 2 Year	0.19	-5.00
Germany 10 Year	-0.33	6.45

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	6466	5989	477
Debt	372	872	-500
Net			-23

Source: Bloomberg, ICICI Direct Research

- The rupee continued its range bound move despite high volatility in the domestic equity space ahead of the Fed meeting. It ended marginally higher at 75.58 against the dollar in the last session. Intermediate resistance for US\$INR can be seen around 76 levels

- The British pound moved above 1.2750 level on Wednesday, as the world awaits the Federal Reserve decision, which is expected to be almost no change, with perhaps the exception of a potential yield curve control measure

- After a flat opening, intraday volatility remained high ahead of weekly option expiry. The Nifty traded in the broader range of 10040-10148 and finally ended at 10116 with gain of 0.69%. Sectorally, the action was seen in BFSI, pharma and technology stocks whereas profit taking was seen in FMCG and auto stocks

- Outperformance was clearly visible in banking stocks, which led the Bank Nifty to reclaim 21000. IndusInd Bank was the leader whereas Axis Bank, Kotak Mahindra Bank and midcap banks also witnessed short covering

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 23 crore on June 9, 2020. While they bought almost ₹ 477 crore in equities, they sold almost ₹ 500 crore in the debt market. FIIs have bought close to ₹ 21155 crore in equities in the June series as of now

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(%) change	
					OI	Vol
June	75.66	-0.07	1638164	1459318	-0.95	-5.92
July	75.87	-0.07	677225	190415	4.26	5.85
Jun-Jul	-0.36	-	-	1406221	-	86.95

- The dollar-rupee contract on the NSE was at 75.66 in the last session. The open interest remained flat for the June series while for the July series it increased marginally by 4.2%
- The solid sentiment in the risk associated complex keeps the dollar under heavy pressure, amid the ongoing progress surrounding the re-opening of the economy along with easing of lockdown restrictions

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	75.01	75.36	75.89	76.24	76.77
US\$INR (Jul)	75.60	75.76	75.89	76.06	76.19
EURINR (Jun)	84.96	85.15	85.35	85.54	85.74
EURINR (Jul)	85.29	85.44	85.58	85.73	85.87
GBPINR (Jun)	95.06	95.38	95.89	96.22	96.73
GBPINR (Jul)	95.51	95.74	96.10	96.33	96.69
JPYINR (Jun)	68.83	69.43	69.85	70.46	70.87
JPYINR (Jul)	69.72	70.00	70.24	70.52	70.76

US\$INR Strategy

US\$INR Jun futures contract (NSE)

Sell US\$ in the range of 75.73-75.78	Market Lot: US\$1000
Target: 75.45/ 75.35	Stop Loss: 75.88
Support: 75.45/75.30	Resistance: 75.88/76.05

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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