

June 23, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	June futures	Sell	76.15	75.80	76.27	1 day

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Spot Currency

Currency	Close	% Change
US\$-INR	76.02	-0.21
EUR-INR	85.18	-0.14
GBP-INR	94.11	-0.05
INR-JPY	0.71	0.00

Global Bonds

Indices	Close	% Change
India 10 Year	5.88	0.51
India 2 Year	4.24	0.00
US 10 Year	0.69	-5.38
US 2 Year	0.19	-4.08
Germany 10 Year	-0.45	7.49

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	14545	13308	1237
Debt	1410	935	475
Net			1712

Source: Bloomberg, ICICI Direct Research

- The rupee moved below its ongoing range and breached 76 levels intraday before closing at 76.02, gaining almost 16 paise. The sharp recovery seen in equity markets also helped the rupee to gain. We expect the appreciation trend to continue towards 75.60 levels

- The dollar index started the week on the defensive following four consecutive daily advances, with the upside momentum running out of steam in the vicinity of 97.90. EURUS\$ is trading above its key hurdle of 1.12. Sustainability of these levels is likely to trigger further upsidess in the currency pair

- Post the positive start, the Nifty witnessed follow-up buying and closed above its intermediate hurdle of 10300. Strong buying was seen in select BFSI, pharma and metal stocks. Looking at ATM and ITM Put OI, we feel downsides look limited

- On Monday, the Bank Nifty opened higher and remained volatile throughout the day. Participation was seen in most midcap banks and select private banks. On the options front, additions were seen in 21000 and 20500 Put strikes. The Bank Nifty is well placed to test its Call base of 22500 with support now seen at 21000 for the expiry

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 1712 crore on June 19, 2020. They bought almost ₹ 1237 crore in equities and ₹ 475 crore in the debt market. FIIs have bought close to ₹ 19789 crore in equities in the June series as of now

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(%) change	
					OI	Vol
June	76.07	-0.26	1481119	1264349	4.43	-2.93
July	76.29	-0.25	1019706	375710	8.69	15.79
Jun-Jul	-0.22	-	-	888639	-	

- The dollar-rupee contract on the NSE was at 76.07 in the last session. The open interest declined almost 4.4% in the June series but increased 8.7% in the July series
- The rupee failed to move above its major resistance levels of 76.30 and finally moved towards 76 levels once again. We believe only a move above these levels may change the directional move in the currency pair

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	75.86	75.96	76.12	76.22	76.38
US\$INR (Jul)	76.10	76.19	76.34	76.43	76.58
EURINR (Jun)	85.00	85.12	85.24	85.37	85.49
EURINR (Jul)	85.28	85.40	85.54	85.66	85.79
GBPINR (Jun)	93.93	94.08	94.32	94.47	94.70
GBPINR (Jul)	94.25	94.39	94.63	94.77	95.01
JPYINR (Jun)	70.87	71.00	71.17	71.30	71.47
JPYINR (Jul)	71.10	71.23	71.39	71.52	71.69

US\$INR Strategy

US\$INR Jun futures contract (NSE)

Sell US\$ in the range of 76.14-76.16	Market Lot: US\$1000
Target: 75.80/ 75.70	Stop Loss: 76.27
Support: 76.10/75.90	Resistance: 76.27/76.45

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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