

June 24, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	June futures	Sell	75.85	75.50	75.98	1 day

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Spot Currency

Currency	Close	% Change
US\$-INR	75.64	-0.50
EUR-INR	85.30	0.14
GBP-INR	94.07	-0.04
INR-JPY	0.71	0.00

Global Bonds

Indices	Close	% Change
India 10 Year	5.91	0.44
India 2 Year	4.24	-0.12
US 10 Year	0.72	5.39
US 2 Year	0.19	3.19
Germany 10 Year	-0.42	-6.07

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	5705	5274	431
Debt	1093	910	183
Net			614

Source: Bloomberg, ICICI Direct Research

- The rupee strengthened amid continued recovery and returned to the strength shown by it in early June. The continued recovery in the equity markets also helped the rupee to remain firm against the US\$
- The dollar index remained weak and moved below 97 levels once again triggering appreciation in Emerging market currencies. EURUS\$ is also trading above its key hurdle of 1.12. Sustainability of these levels is likely to trigger further upsides in the currency pair

- Positive bias in the index continued for a third day continuously as the Bajaj group and private sector banking stocks led the Nifty towards 11450. Looking at ATM and ITM Put OI, we feel downsides look limited. However, 10500 Call strike has maximum OI. This should be a hurdle on upsides
- On Tuesday, the banking index continued its momentum and gained more than 700 points on the back of continued buying seen among index pivots. Midcap sector banks were major gainers of the day with HDFC Bank and Axis Bank taking the lead

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 614 crore on June 22, 2020. They bought almost ₹ 431 crore in equities and ₹ 183 crore in the debt market. FIIs have bought close to ₹ 20219 crore in equities in the June series as of now

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(%) change	
					OI	Vol
June	75.56	-0.66	1304708	2090934	-11.91	65.38
July	75.76	-0.69	1204435	874222	18.12	132.69
Jun-Jul	-0.20	-	-	1216712	-	

- The rupee failed to move above its major resistance levels of 76.30 and finally moved towards 75.50 in the last couple of sessions. Immediate support for the rupee is placed around 75.30 and a reversal can be expected
- The dollar-rupee contract on the NSE was at 75.56 in the last session. The open interest declined almost 12% in the June series it increased by 18% in the July series ahead of settlement

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	75.35	75.47	75.71	75.83	76.06
US\$INR (Jul)	75.18	75.50	76.13	76.45	77.07
EURINR (Jun)	85.08	85.20	85.41	85.53	85.74
EURINR (Jul)	84.97	85.27	85.56	85.87	86.15
GBPINR (Jun)	93.64	93.88	94.31	94.55	94.98
GBPINR (Jul)	93.95	94.19	94.61	94.84	95.27
JPYINR (Jun)	70.42	70.51	70.68	70.78	70.95
JPYINR (Jul)	70.51	70.66	70.96	71.11	71.41

US\$INR Strategy

US\$INR Jun futures contract (NSE)

Sell US\$ in the range of 75.84-75.86	Market Lot: US\$1000
Target: 75.50/ 75.30	Stop Loss: 75.98
Support: 75.50/75.30	Resistance: 75.98/76.15

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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