

June 25, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	June futures	Buy	75.70	75.95	75.58	1 day

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Spot Currency

Currency	Close	% Change
US\$-INR	75.72	0.11
EUR-INR	85.41	0.13
GBP-INR	94.55	0.51
INR-JPY	0.71	0.00

Global Bonds

Indices	Close	% Change
India 10 Year	5.92	0.20
India 2 Year	4.24	0.12
US 10 Year	0.72	-0.55
US 2 Year	0.19	0.00
Germany 10 Year	-0.40	-4.31

FII Activity

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

Source: Bloomberg, ICICI Direct Research

- After a strong opening, the rupee weakened following profit booking in equity markets and closed around 75.72. However, rupee June futures closed at 75.62 levels. The rupee has traded in the range of 75.30-76.30 for more than a month

- The dollar index has remained weak and hovered below 97 levels. The Euro is moving cautiously higher against the US\$ for a third straight session and is trading around 1.13 levels. It may witness some retracement in the coming sessions. Better than expected PMI data across the world helping EM currencies to remain strong

- Despite starting the day on a positive note, Call writers of 10500 strikes dominated the day and dragged the Nifty lower. The Nifty tested its major Put base of 10300 due to selling in banking and financials and other heavyweights

- For a major part of the day, the Bank Nifty remained under pressure due to selling in most private banks along with PSU banks. On the options front, significant OI has got distributed from 21500 to 22000 Call strikes. On the other hand, addition was seen in 21000 put trike. It indicates the Bank Nifty may trade within a range of 21000 and 28000

- 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	75.65	0.12	1227105	164034	-5.95	-92.15
July	75.85	0.12	1222373	77403	1.49	-91.15
Jun-Jul	-0.20	-	-	86631	-	

- The rupee found support near 75.50 and saw some up move amid weakness in equity markets. We believe that immediate support for the rupee is placed around 75.40 and rupee should be bought on declines
- The dollar-rupee contract on the NSE was at 75.65 in the last session. The open interest declined almost 6% in the June series but increased 1.5% in the July series ahead of the settlement

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	75.43	75.53	75.66	75.77	75.90
US\$INR (Jul)	75.57	75.73	75.86	76.02	76.16
EURINR (Jun)	85.11	85.32	85.53	85.75	85.96
EURINR (Jul)	85.64	85.80	85.88	86.04	86.13
GBPINR (Jun)	94.28	94.51	94.71	94.94	95.13
GBPINR (Jul)	94.55	94.77	94.96	95.17	95.37
JPYINR (Jun)	70.75	70.89	71.01	71.15	71.26
JPYINR (Jul)	71.01	71.15	71.23	71.37	71.45

US\$INR Strategy

US\$INR Jun futures contract (NSE)

Buy US\$ in the range of 75.68-75.70	Market Lot: US\$1000
Target: 75.95/ 76.05	Stop Loss: 75.58
Support: 75.58/75.30	Resistance: 75.95/76.05

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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