

June 26, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	June futures	Buy	75.60	75.90	75.45	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	5.89	-0.24
India 2 Year	4.23	-0.12
US 10 Year	0.66	-8.16
US 2 Year	0.18	-5.15
Germany 10 Year	-0.47	12.92

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	6881	5791	1090
Debt	2661	2548	112
Net			1203

Source: Bloomberg, ICICI Direct Research

- After a weak opening, the rupee strengthened and gained 6 paise during the day to close at 75.66. Recovery was also seen in the equity space also, which closed flat after opening almost 1% down due to weak global cues

- The dollar index found some strength against the rest of the currencies as equity markets tuned weak. The GBP dropped further as markets suffered a classic case of 'risk off' nerves. Gold also moved lower after making multi-month highs on the back of a stronger dollar

- The Nifty opened negative and saw a round of consolidation for a major part of the day amid high volatility. However, a recovery from lower levels was triggered by short covering in FMCG heavyweight stocks, which helped the Nifty to hold its intraday low

- The Bank Nifty paused after sharp momentum was seen in the last session. Midcap and select private banks recovered from their day's low and helped the Bank Nifty to recover to end in the green. On the weekly options front, aggressive additions were seen in 20500 and 21000 Put strikes. This level should act as support on the downside

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 1090 crore on June 24, 2020. They bought almost ₹ 1090 crore in the equity market and ₹ 112 crore in the debt market. FIIs have bought close to ₹ 21439 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	-0.01	1122544	1500240	-8.52	814.59
July	75.85	0.00	1554160	884150	27.14	1042.27
Jun-Jul	-0.20	-	-	616090	-	

- The rupee found support near 75.50 and witnessed some up move amid weakness in equity markets. We believe immediate support for the rupee is placed around 75.40 while the 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 8% in the June series but increased 27% in the July series ahead of the settlement

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	75.43	75.53	75.67	75.77	75.91
US\$INR (Jul)	75.58	75.71	75.91	76.04	76.23
EURINR (Jun)	84.36	84.59	84.97	85.20	85.58
EURINR (Jul)	84.63	84.83	85.18	85.38	85.73
GBPINR (Jun)	93.64	93.89	94.07	94.32	94.50
GBPINR (Jul)	93.93	94.17	94.35	94.59	94.77
JPYINR (Jun)	70.23	70.37	70.57	70.71	70.91
JPYINR (Jul)	70.44	70.58	70.79	70.92	71.14

US\$INR Strategy

US\$INR Jun futures contract (NSE)

Buy US\$ in the range of 75.58-75.60	Market Lot: US\$1000
Target: 75.90/ 76.05	Stop Loss: 75.45
Support: 75.45/75.30	Resistance: 75.90/76.05

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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