

June 29, 2020

## Daily Currency outlook

### Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	July futures	Buy	75.70	75.90	75.55	1 day

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## Spot Currency

Currency	Close	% Change
US\$-INR	75.66	0.00
EUR-INR	84.75	-0.04
GBP-INR	93.85	-0.07
INR-JPY	0.71	0.00

## Global Bonds

Indices	Close	% Change
India 10 Year	5.91	0.31
India 2 Year	4.20	-0.73
US 10 Year	0.64	-3.61
US 2 Year	0.17	-8.70
Germany 10 Year	-0.48	1.91

## FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	6419	6940	-521
Debt	693	817	-124
Net			-645

Source: Bloomberg, ICICI Direct Research

- The rupee found some strength despite weak equity markets and ended almost flat at 75.66 in the last trade. It has been trading in a narrow range and can expect a fall in coming sessions with strengthening of the US dollar. However, easing of crude prices may provide some support

- The dollar index found some strength against rest of the currencies as investors grew cautious about a resurgence in US Coronavirus cases. Riskier assets like equities paved the way for safe havens like gold and dollar in the last session

- The Nifty started the July series on positive note amid high volatility. Stock specific buying was seen in industry heavyweights, helping the Nifty to stay firm above 10300

- The Bank Nifty recovered from its day's low on the back of buying in HDFC Bank, IndusInd Bank, Axis Bank. On the weekly options front, aggressive additions were seen in 20500 and 21000 Put strikes. This level should act as support on the downsides, We feel the ongoing uptrend in the Bank Nifty will remain the same till it trades above 21000

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 646 crore on June 25, 2020. They sold almost ₹ 521 crore in the equity market and ₹ 124 crore in the debt market. FIIs have bought close to ₹ 20918 crore in equities in the June series as of now

## Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% ) change	
					OI	Vol
July	75.80	-0.07	1667688	1615845	7.30	82.76
Aug	76.02	-0.03	192555	97919	15.23	47.95
Jul-Aug	-0.22	-	-	1517926	-	

- The rupee has been finding support near 75.50 levels and witnessed some up move amid weakness in the equities. We believe that immediate support for the rupee is around 75.40 while it should be bought on declines
- The dollar-rupee contract on the NSE was at 75.80 in the last session. The open interest increased almost 7% in the July series during settlement

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jul)	75.56	75.68	75.77	75.89	75.99
US\$INR (Aug)	75.80	75.91	76.00	76.12	76.20
EURINR (Jul)	84.67	84.88	85.05	85.26	85.43
EURINR (Aug)	84.98	85.18	85.33	85.53	85.68
GBPINR (Jul)	93.69	93.86	94.04	94.21	94.39
GBPINR (Aug)	94.02	94.15	94.30	94.44	94.59
JPYINR (Jul)	70.49	70.72	70.86	71.09	71.23
JPYINR (Aug)	70.74	70.96	71.08	71.30	71.42

## US\$INR Strategy

### US\$INR July futures contract (NSE)

Buy US\$ in the range of 75.68-75.72	Market Lot: US\$1000
Target: 75.90/ 76.05	Stop Loss: 75.55
Support: 75.55/75.40	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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