

July 3, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	July futures	Sell	75.12	74.85	75.24	1 day

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Spot Currency

Currency	Close	% Change
US\$-INR	75.01	-0.79
EUR-INR	84.04	-0.83
GBP-INR	93.28	0.52
JPY-INR (Future)	70.46	0.16

Global Bonds

Indices	Close	% Change
India 10 Year	5.84	0.00
India 2 Year	4.17	-0.45
US 10 Year	0.67	-1.62
US 2 Year	0.16	-3.13
Germany 10 Year	-0.43	7.50

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	3669	5355	-1686
Debt	1702	1308	393
Net			-1292

Source: Bloomberg, ICICI Direct Research

- The rupee appreciated almost 56 paise and moved to a three-month high. Weakness in the Dollar index and positive domestic market along with progress on the vaccine front were the main triggers

- The Dollar index fell marginally and ended near 97 levels. The US economy added 4.8 millions jobs in June. A reducing jobless rate will provide some strength to the Dollar index

- Buying interest continued in Nifty stocks for a second day in row supported by positive global cues. Sectorally, the action was seen in BFSI, technology and auto stocks whereas profit booking was witnessed in pharma and FMCG stocks

- Despite witnessing buying during the day, the Bank Nifty failed to maintain the momentum. However, a recovery was seen in midcap banks. Most PSU banks witnessed profit booking whereas late selling in leading private banks also added more pressure

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 1292 crore on June 30, 2020. They sold almost ₹ 1686 crore in the equity market and bought ₹ 393 crore in the debt market. FIIs have bought close to ₹ 18777 crore in equities in the June series as of now

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change	
					OI	Vol
July	74.90	-1.20	1731833	2337315	4.95	167.22
Aug	75.13	-1.18	278379	352602	24.27	334.10
Jul-Aug	-0.23	-	-	1984713	-	

- As the rupee moved to a three-month high by appreciating almost 56 paise yesterday, we feel a possible consolidation can be seen near its October 2018 levels high
- The dollar-rupee contract on the NSE was at 74.90 in the last session. The open interest rose almost 4.9% in the last session

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jul)	74.26	74.58	75.14	75.46	76.02
US\$INR (Aug)	74.48	74.80	75.38	75.70	76.27
EURINR (Jul)	83.83	84.17	84.75	85.09	85.67
EURINR (Aug)	84.14	84.46	85.03	85.35	85.92
GBPINR (Jul)	92.95	93.32	93.96	94.34	94.98
GBPINR (Aug)	93.16	93.56	94.27	94.68	95.38
JPYINR (Jul)	69.13	69.42	69.94	70.23	70.75
JPYINR (Aug)	69.39	69.66	70.18	70.45	70.97

US\$INR Strategy

US\$INR Jul futures contract (NSE)

Sell US\$ in the range of 75.10-75.15	Market Lot: US\$1000
Target: 74.90/ 74.80	Stop Loss: 75.24
Support: 74.70/74.80	Resistance: 75.20/75.30

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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