

July 7, 2020

## Daily Currency outlook

### Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	July futures	Sell	74.95	74.70	75.05	1 day

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## Spot Currency

Currency	Close	% Change
US\$-INR	74.68	-1.23
EUR-INR	84.40	-0.40
GBP-INR	93.23	0.46
JPY-INR (Future)	70.20	-0.21

## Global Bonds

Indices	Close	% Change
India 10 Year	5.85	0.24
India 2 Year	4.15	-0.48
US 10 Year	0.67	0.60
US 2 Year	0.16	1.29
Germany 10 Year	-0.44	2.33

## FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	3304	2681	623
Debt	1261	1324	-63
Net			560

Source: Bloomberg, ICICI Direct Research

- The rupee pared initial gains and ended only 2 paise down near 74.68. Strong equities, softening crude prices and a possible vaccine for Covid-19 are expected to provide a sentimental boost

- The US dollar fell below 97 levels and ended near 96.65 as strong risk-on sentiment put the dollar under heavy pressure. We continue to feel the Dollar index would consolidate near 97 levels

- After Friday's lacklustre session, in early trade, private and PSU bank stocks witnessed buying interest throughout the trading session, helping the Bank Nifty to close above 22000. Writing continued in near OTM and ATM strikes, which is likely to provide a support in case of profit booking at higher levels

- The outperformance in Nifty stocks continued with the index rallying nearly 150 points and ending above 10750. Reliance Industries and TCS witnessed strong buying from lower levels whereas short covering was seen in auto and metal stocks

- Foreign institutional investors (FII) were net buyer to the tune of ₹ 560 crore on July 2, 2020. They bought ₹ 623 crore in the equity market and sold ₹ 63 crore in the debt market. FIIs have bought close to ₹ 970 crore in equities in the July series as of now

## Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change	
					OI	Vol
July	74.78	-0.08	1855719	2119138	8.24	-7.53
Aug	75.01	-0.07	360140	242211	18.27	-12.14
Jul-Aug	-0.22	-	-	1876927	-	

- Positive inflows continued to drive the rupee higher. It is moving towards its October 2018 levels. We feel the rupee will consolidate near 74.5 levels
- The dollar-rupee contract on the NSE was at 74.78 in the last session. The open interest rose almost 8.0% 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 74.90-74.95	Market Lot: US\$1000
Target: 74.80/ 74.70	Stop Loss: 75.05
Support: 74.70/74.80	Resistance: 75.05/75.15

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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I/We, Amit Gupta B.E, MBA (Finance), Raj Deepak Singh BE, MBA (Finance), Nandish Patel BCOM, Dipesh Dedhia BCOM, MBA (Finance), authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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