

July 13, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	July futures	Buy	75.12	75.35	74.95	1 day

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Spot Currency

Currency	Close	% Change
US\$-INR	75.20	0.27
EUR-INR	84.99	0.14
GBP-INR	94.99	0.31
JPY-INR (Future)	70.10	0.14

Global Bonds

Indices	Close	% Change
India 10 Year	5.76	-0.21
India 2 Year	4.11	-0.10
US 10 Year	0.64	3.58
US 2 Year	0.15	-1.31
Germany 10 Year	-0.47	-0.43

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	7008	4282	2726
Debt	419	1933	-1514
Net			1212

Source: Bloomberg, ICICI Direct Research

- The rupee slipped 21 paise and ended at 75.20 last Friday as the Dollar index showed signs of support near 96 levels. Rising Covid-19 cases also led to mounting fears among investors who seemed to be moving away from riskier assets

- As US stocks rose, the Dollar index dipped marginally. Risk sentiment remains strong despite the lingering Coronavirus concerns. The focus this week will be on the US earnings seasons along with US inflation and retail sales data

- Despite all intraday volatility, the Nifty continued to remain firm well above 10700. RIL, Sun Pharmaceuticals and HUL supported the up move. However, broader market breadth remained negative. OI build-up was seen in 10600 Put and 10900 Call strikes. This should be the trading range for the week

- The Bank Nifty consolidated in the first half with stock specific action. However, underperformance was clearly seen in PSU and midcaps banks

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 1212 crore on July 9, 2020. They bought ₹ 2726 crore in the equity market and sold ₹ 1514 crore in the debt market. FIIs have bought close to ₹ 3437 crore in the July series as of now

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
July	75.38	0.27	1656489	1500029	-6.63	-1.45
Aug	75.60	0.26	528190	225104	23.94	25.76
Jul-Aug	-0.22	-	-	1274925	-	

- The rupee depreciated further and moved to 75.40 levels. However, we continue to feel that consolidation can be seen in the rupee with 75.5 levels acting as a hurdle
- The dollar-rupee contract on the NSE was at 75.38 in the last session. The open interest declined 6.6% in the last session

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jul)	74.99	75.19	75.33	75.52	75.66
US\$INR (Aug)	75.30	75.45	75.57	75.72	75.84
EURINR (Jul)	84.42	84.63	84.76	84.98	85.11
EURINR (Aug)	84.71	84.91	85.04	85.24	85.37
GBPINR (Jul)	93.91	94.09	94.25	94.43	94.59
GBPINR (Aug)	94.12	94.33	94.50	94.71	94.88
JPYINR (Jul)	69.58	69.75	69.87	70.04	70.15
JPYINR (Aug)	69.59	69.87	70.04	70.32	70.49

US\$INR Strategy

US\$INR Jul futures contract (NSE)

Buy US\$ in the range of 75.10-75.15	Market Lot: US\$1000
Target: 75.25/ 75.40	Stop Loss: 74.95
Support: 74.90/75.05	Resistance: 75.40/75.50

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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