

August 13, 2020

## Daily Currency outlook

### Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	August futures	Sell	74.95	74.65	75.11	1 day

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## Spot Currency

Currency	Close	Pvs. Close	% Change
US\$-INR	74.83	74.77	0.08
EUR-INR	87.98	87.94	0.05
GBP-INR	97.40	97.87	-0.48
JPY-INR (Future)	70.01	70.51	-0.71

## Global Bonds

Indices	Close	% Change
India 10 Year	5.88	-0.32
India 2 Year	4.26	-0.02
US 10 Year	0.67	10.51
US 2 Year	0.16	11.19
Germany 10 Year	-0.45	-8.04

## FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	16974	5203	11771
Debt	941	296	646
Net			12417

Source: Bloomberg, ICICI Direct Research

- Rupee spot prices slipped 5 paise to end at 74.83 against the US dollar tracking muted domestic equities. A sharp rise in US bond yields helped the dollar to strengthen while EM currencies weakened marginally in the last session

- Upbeat data from the US helped the dollar to remain firm for a fourth consecutive session on Wednesday, managing to keep alive the rebound from last week's lows in the middle at 92.00 and gradually approaching monthly peaks and critical levels of 94

- Post gap down, in early hours, pharma and FMCG witnessed selling pressure and the Nifty made a low of 11240. However, late recovery in banking and metal stocks along with outperformance in IT helped the Nifty to recover intraday losses. Finally, it ended at 11308 with negligible loss of 0.06%

- The Bank Nifty relatively outperformed the Nifty. State Bank of India managed to surpass its major Call base of 200 whereas Axis Bank and IndusInd Bank also moved towards their major Call base, which will be positive for the bank index in the coming days

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 12417 crore on August 11, 2020. They bought ₹ 11171 crore in the equity market and ₹ 646 crore in the debt market. Major part of the equity buying was seen in the primary market worth ₹ 10665 crore in the session. FIIs have bought equities worth ₹ 23107 in August so far

## Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(%) change	
					OI	Vol
Aug	74.89	0.13	1417743	1669693	-7.68	25.28
Sep	75.11	0.13	376791	161024	9.57	-10.86
Aug-Sep	-0.22	-	-	1508669	-	

- Treasury yields pulled back ahead of record 10-year sale as stimulus hopes faltered in the US for a new Corona relief bill. The US treasury has auctioned a record \$38 billion of 10-year notes
- The dollar-rupee contract on the NSE was at 74.89 in the last session. Open interest in August series declined by 7.7% while it increased almost 9.5% in the next series

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	74.69	74.79	74.92	75.02	75.15
US\$INR (Sep)	74.88	74.99	75.13	75.24	75.37
EURINR (Aug)	87.45	87.75	87.99	88.29	88.52
EURINR (Sep)	87.75	88.05	88.27	88.57	88.79
GBPINR (Aug)	96.98	97.27	97.59	97.87	98.19
GBPINR (Sep)	97.11	97.46	97.80	98.15	98.50
JPYINR (Aug)	69.92	70.00	70.13	70.21	70.35
JPYINR (Sep)	70.11	70.19	70.34	70.42	70.57

## US\$INR Strategy

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

Sell US\$ in the range of 74.93-74.97	Market Lot: US\$1000
Target: 74.65/ 74.45	Stop Loss: 75.11
Support: 74.65/74.45	Resistance: 75.11/75.19

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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