

October 6, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	October futures	Sell	73.47	73.25	73.60	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	73.29	73.14	0.15
EUR-INR	86.10	85.98	0.12
GBP-INR	94.78	94.37	0.41
JPY-INR (Future)	69.57	69.52	0.05

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.00	6.00	0.13
India 2 Year	4.36	4.37	-0.18
US 10 Year	0.76	0.70	8.38
US 2 Year	0.15	0.13	9.02
Germany 10 Year	-0.50	-0.54	-6.15

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	4738	2876	1862
Debt	929	2711	-1782
Net			80

- After a sharp move last week, the rupee settled 16 paise lower against the US dollar and ended near 73.29 levels. However, positive domestic equities are likely to keep the rupee move in check

- The dollar was down on Tuesday morning in Asia over rising hopes that the US Congress will reach an agreement over the latest stimulus measures to ease the economic impact of Covid-19

- The buying spree continued in Nifty stocks for a third session supported by positive global cues. Sectorally, action was seen in technology, pharma and select FMCG stocks whereas profit taking was seen in banking and energy stocks from higher levels

- After witnessing a rally last week, the Bank Nifty remained volatile throughout the day. However, buying in HDFC Bank, IndusInd Bank and midcaps banks led the Bank Nifty to end near 22500 levels

- Foreign institutional investors (FII) were net buyer to the tune of ₹ 80 crore on October 1, 2020. They bought worth ₹ 1862 crore in the equity market and also sold worth ₹ 1782 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Oct	73.41	-2.05	1607266	1987151	3.70	9.57
Nov	73.62	-2.06	208426	107429	0.94	-15.11
Oct-Nov	-0.21	-	-	1879722	-	-

- The Dollar index remained muted on the back of hopes of more stimulus. The rupee started the week by depreciating marginally. However, we feel it is likely to move towards 73 levels due to weakness in the dollar
- The dollar-rupee October contract on the NSE was at 73.41 in the last session. The open interest rose 3.7% in the last session

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	73.03	73.22	73.39	73.58	73.75
US\$INR (Nov)	73.26	73.44	73.61	73.79	73.96
EURINR (Oct)	85.77	86.03	86.19	86.45	86.61
EURINR (Nov)	86.06	86.32	86.47	86.73	86.88
GBPINR (Oct)	94.48	94.75	94.97	95.24	95.46
GBPINR (Nov)	94.75	95.01	95.23	95.49	95.71
JPYINR (Aug)	69.18	69.35	69.56	69.73	69.94
JPYINR (Nov)	69.49	69.62	69.77	69.90	70.05

US\$INR Strategy

US\$INR Oct futures contract (NSE)

Sell US\$ in the range of 73.45-73.48

Market Lot: US\$1000

Target: 73.30/ 73.20

Stop Loss: 73..60

Support: 73.00/73.10

Resistance: 73.60/73.80

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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