

October 7, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	October futures	Buy	73.32	73.45	73.20	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	73.45	73.29	0.16
EUR-INR	86.51	86.10	0.41
GBP-INR	95.11	94.78	0.33
JPY-INR (Future)	69.72	69.57	0.15

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.03	6.00	0.37
India 2 Year	4.39	4.36	0.69
US 10 Year	0.75	0.76	-2.10
US 2 Year	0.15	0.15	2.76
Germany 10 Year	-0.51	-0.50	1.59

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	5660	5319	341
Debt	1106	1504	-398
Net			-57

- The rupee continued to pare last week's gains and ended lower by another 17 paise at 73.45 against the US dollar. However, continued FII buying and positive domestic equities will limit its upside.

- The dollar moved up on Wednesday as investors digested US President Donald Trump's shock cancellation of talks on the latest stimulus measures

- The positive bias in the index continued for a fourth day as HDFC group and private sector banking stocks led the Nifty towards 11700. Looking at ATM and ITM Put OI, we feel downsides look limited. However, 11800 Call strike holds maximum OI. This could be a hurdle on the upsides

- On Tuesday, the banking index continued its momentum and gained more than 500 points on the back of continued buying in index pivots. Midcap sector banks were major gainers of the day with HDFC Bank and IndusInd Bank taking the lead. We expect the rally to continue towards its Call base of 23500

- Foreign institutional investors (FII) were net seller to the tune of ₹ 57 crore on October 5, 2020. They bought worth ₹ 341 crore in the equity market and sold worth ₹ 398 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Oct	73.61	-1.79	1694499	2064697	9.33	13.84
Nov	73.82	-1.80	227434	134989	10.14	6.67
Oct-Nov	-0.21	-	-	1929708	-	-

- The dollar index attempted to move towards 94 levels as President Trump cancelled negotiation on stimulus and concerns rose on economic growth. However, looking at the US\$INR pair we feel it is likely to consolidate
- The dollar-rupee October contract on the NSE was at 73.61 in the last session. The open interest rose 9.3% in the last session

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	73.08	73.34	73.49	73.75	73.90
US\$INR (Nov)	73.32	73.57	73.71	73.96	74.10
EURINR (Oct)	86.18	86.46	86.64	86.92	87.10
EURINR (Nov)	86.36	86.68	86.89	87.21	87.42
GBPINR (Oct)	93.93	94.56	95.13	95.75	96.32
GBPINR (Nov)	94.26	94.86	95.42	96.02	96.58
JPYINR (Aug)	69.19	69.44	69.61	69.86	70.03
JPYINR (Nov)	69.27	69.59	69.80	70.12	70.32

US\$INR Strategy

US\$INR Oct futures contract (NSE)

Buy US\$ in the range of 73.30-73.34

Market Lot: US\$1000

Target: 73.40/ 73.50

Stop Loss: 73..20

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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