

October 12, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	October futures	Sell	73.34	73.00	73.52	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	73.13	73.24	-0.11
EUR-INR	86.37	86.10	0.26
GBP-INR	95.16	94.73	0.43
JPY-INR (Future)	69.22	69.26	-0.04

Global Bonds

	Close	Pvs. Close	% Change
India 10-yr	5.94	6.02	-1.30
US 10-yr	0.77	0.79	-1.46
Eur 10-yr	-0.53	-0.52	0.76
UK 10-yr	0.28	0.29	-3.11
JPY 10 yr	0.04	0.04	-5.26

FII & FPI Activities

Segment	Purchase	Sell	Net ₹ crores
Equity	6776	5550	1226
Debt	114	372	-258
Net			968

- Supported by positive domestic equities and marginal weakness in the Dollar index, the rupee appreciated marginally and ended at 73.13. With the dollar index moving to two-week's low, further appreciation is likely to be seen
- The Chinese yuan fell after policy makers acted to restrain its strength by making it easier to bet against. Financial institutions will no longer need to set aside cash for clients through currency forwards

- Post the positive start, the Nifty witnessed follow-up buying and ended above 11900. Strong buying was seen in select banking & financial and energy stocks. Looking at option data, additions were seen in OTM and ATM Put strikes. We feel the index will witness limited downsides if profit booking emerges from its major Call base of 12000
- The Bank Nifty opened higher and remained volatile throughout the day. Participation was seen in most leaders from private banks as well as from PSU banks

- Foreign institutional investors (FII) were net buyer to the tune of ₹ 968 crore on October 8, 2020. They bought worth ₹ 1225 crore in the equity market and also sold worth ₹ 258 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Oct	73.25	-0.17	1818757	2564649	8.64	64.08
Nov	73.46	-0.17	258246	181978	2.74	96.27
Oct-Nov	-0.21	-	-	2382671	-	92.90

- The expected stimulus by the US Senate has triggered sharp moves in the dollar index. It has tested its two-week lows in the last session. The rupee has been trading in a range and is likely to remain under pressure at higher levels
- The dollar-rupee October contract on the NSE remained largely flat near 73.25 in the last session. The open interest has risen by 8.6% for October series in the last session

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	72.75	73.00	73.37	73.62	73.99
US\$INR (Nov)	73.03	73.24	73.54	73.75	74.04
EURINR (Oct)	86.01	86.22	86.35	86.56	86.69
EURINR (Nov)	86.29	86.49	86.61	86.82	86.93
GBPINR (Oct)	94.48	94.64	94.84	95.00	95.19
GBPINR (Nov)	94.77	94.92	95.11	95.26	95.44
JPYINR (Oct)	68.98	69.10	69.23	69.35	69.48
JPYINR (Nov)	69.26	69.36	69.43	69.54	69.61

US\$INR Strategy

US\$INR Oct futures contract (NSE)

Sell US\$ in the range of 73.33-73.36	Market Lot: US\$1000
Target: 73.18/ 73.00	Stop Loss: 73.52
Support: 73.10/73.00	Resistance: 73.50/73.70

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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