

October 13, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	October futures	Sell	73.56	73.50	73.68	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	73.26	73.13	0.13
EUR-INR	86.64	86.37	0.27
GBP-INR	95.92	95.16	0.76
JPY-INR (Future)	69.28	69.22	0.06

- After four days of up move, the rupee fell 13 paise and closed at 73.26 against the US dollar amid weakening Asian peers and profit booking in domestic equities
- The Dollar index managed to rebound from its important support of 93. The focus would be on US election and stimulus bill, which would provide volatility

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.90	6.02	-1.93
India 2 Year	4.26	4.35	-1.89
US 10 Year	0.76	0.78	-2.32
US 2 Year	0.16	0.15	6.80
Germany 10 Year	-0.55	-0.53	3.41

- Post a positive start, the index saw some recovery but could not maintain sustainable gains. During the day, technology and pharma stocks recovered from lows. This helped the index to move from the day's low of 11867 to end near 11930. From the options space, additions were seen in 12000 and 12100 Call strikes
- The Bank Nifty saw a pause in its upward move and snapped its seven-day winning streak. Profit booking was seen in select PSU and midcap banks

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	4611	5866	-1255
Debt	3220	297	2924
Net			1669

- Foreign institutional investors (FII) were net buyer to the tune of ₹ 1669 crore on October 9, 2020. They sold worth ₹ 1255 crore in the equity market and bought worth ₹ 2924 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Oct	73.41	-0.17	1824315	1841923	8.97	0.18
Nov	73.62	-0.17	284350	156434	13.12	0.69
Oct-Nov	0.20	-	-	1685489	-	0.51

- The Dollar index tested its two week low and is likely to move further higher towards 93.5 levels. This will keep an Asian currency move in check. We feel the rupee could depreciate marginally from here
- The dollar-rupee October contract on the NSE remained largely flat near 73.41 in the last session. The open interest has risen 9.0% for the October series in the last session

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	72.99	73.20	73.35	73.56	73.71
US\$INR (Nov)	73.20	73.41	73.55	73.76	73.90
EURINR (Oct)	86.21	86.40	86.59	86.77	86.96
EURINR (Nov)	86.52	86.68	86.86	87.01	87.19
GBPINR (Oct)	94.69	95.12	95.39	95.82	96.09
GBPINR (Nov)	94.96	95.38	95.64	96.06	96.32
JPYINR (Aug)	68.94	69.13	69.46	69.65	69.99
JPYINR (Nov)	69.21	69.38	69.69	69.86	70.17

US\$INR Strategy

US\$INR Oct futures contract (NSE)

Sell US\$ in the range of 73.55-73.58	Market Lot: US\$1000
Target: 73.45/ 73.35	Stop Loss: 73.68
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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