

October 15, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	October futures	Sell	73.48	73.28	73.58	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	73.30	73.36	-0.06
EUR-INR	85.90	86.25	-0.35
GBP-INR	94.85	95.29	-0.44
JPY-INR (Future)	69.58	69.55	0.03

- The rupee appreciated marginally in the last session and closed near 73.30 levels as the spread between the future and spot continue to contract amid positive bias seen in domestic equities
- The Euro remained under pressure and slipped to a one week low due to risk off trades. Dismal German ZEW economic sentiment data showed that rising Covid cases and no deal Brexit fears were increasing uncertainty in the Eurozone

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.90	5.90	-0.02
India 2 Year	4.27	4.27	0.19
US 10 Year	0.72	0.73	-2.45
US 2 Year	0.14	0.14	0.00
Germany 10 Year	-0.58	-0.56	3.76

- The Nifty rallied for a tenth consecutive day as banking stocks led the index to end in the green amid high volatility. Sectorally, action was seen in BFSI and cement stocks whereas profit taking was seen in technology and select pharma stocks. On the options front, 12000 Call holds maximum OI. If the Nifty manages to trade above this level then we may expect a further short covering rally
- Outperformance in banking stocks led the Bank Nifty to test its Call base of 24000. Buying was seen in the Axis Bank and HDFC Bank along with midcap banking space whereas other banks also provided support

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	6761	4884	1876
Debt	866	668	198
Net			2074

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 2074 crore on October 13, 2020. They bought worth ₹ 1876 crore in the equity market and also bought worth ₹ 198 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(%) change	
					OI	Vol
Oct	73.38	0.01	1886218	1820620	1.85	0.24
Nov	73.58	0.00	298350	155571	1.56	0.69
Oct-Nov	0.20	-	-	1665049	-	0.45

- The US\$INR pair is likely to find pressure at higher levels as significant Call option build-up is likely to keep upsides limited for the pair. Despite recent reversal in dollar index, we expect the rupee to remain below 73.80 levels in the coming days
- The dollar-rupee October contract on the NSE closed almost flat near 73.38 in the last session. The open interest rose 1.85% in the last session

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	73.19	73.29	73.42	73.52	73.65
US\$INR (Nov)	73.39	73.49	73.62	73.73	73.85
EURINR (Oct)	85.46	85.81	86.36	86.71	87.26
EURINR (Nov)	86.07	86.26	86.46	86.65	86.84
GBPINR (Oct)	94.10	94.67	95.13	95.70	96.15
GBPINR (Nov)	94.54	95.00	95.28	95.74	96.02
JPYINR (Aug)	69.47	69.57	69.67	69.77	69.86
JPYINR (Nov)	69.60	69.74	69.85	69.99	70.10

US\$INR Strategy

US\$INR Oct futures contract (NSE)

Sell US\$ in the range of 73.46-73.50

Market Lot: US\$1000

Target: 73.28/ 73.18

Stop Loss: 73.58

Support: 73.25/73.15

Resistance: 73.58/73.65

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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