

October 20, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	October futures	Sell	73.47	73.30	73.61	1 day

Research Analysts

Raj Deepak Singh

rajdeepak.singh@icicisecurities.com

Nandish Patel

nandish.patel@icicisecurities.com

Mohit Agarwal

mohit.agarwal@icicisecurities.com

INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	73.37	73.34	0.03
EUR-INR	86.36	85.95	0.41
GBP-INR	95.19	94.67	0.52
JPY-INR (Future)	69.66	69.72	-0.06

- Despite the sharp rally seen in the equity market, the rupee ended almost flat on Monday. It fell only 2 paise against the US dollar. However, from the high it appreciated and managed to recover some losses
- Ahead of Fed Chair Jerome Powell's speech, the dollar index turned negative and ended near 93.60 levels. Rising Covid-19 cases and political triggers would provide cushion to risk appetite assets

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.95	5.94	0.17
India 2 Year	4.25	4.26	-0.35
US 10 Year	0.77	0.73	5.50
US 2 Year	0.15	0.14	8.76
Germany 10 Year	-0.63	-0.63	-0.16

- The Nifty rallied over 100 points and settled above 11850. Sectorally, action was seen in BFSI and energy stocks while profit taking was seen in pharma and auto stocks
- The Bank Nifty opened higher and held firm above 24000. In the final hours, a sudden surge in leading private banks helped the Bank Nifty to end near its day's high. Looking at the options data, this current recovery may extend up to 25000 levels as it holds maximum Call OI. However, on downsides, 24000 and 23700 will act as support

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	4915	4923	-9
Debt	2653	1451	1202
Net			1193

- Foreign institutional investors (FII) were net buyer to the tune of ₹ 1193 crore on October 16, 2020. They sold worth ₹ 9 crore in the equity market and bought worth ₹ 1202 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Oct	73.38	-0.05	1889076	1138836	-2.84	-0.20
Nov	73.58	-0.06	384661	221616	17.85	0.49
Oct-Nov	0.20	-	-	917220	-	0.69

- The dollar index is likely to remain volatile due to election and Fed's speech, which would provide some trigger to EM currencies. However, writing activity in 73.5 strike Call are likely to keep pair move in check
- The dollar-rupee October contract on the NSE closed near 73.38 in the last session. The open interest fell 2.8% in the last session

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	73.29	73.33	73.41	73.45	73.53
US\$INR (Nov)	73.49	73.53	73.61	73.65	73.72
EURINR (Oct)	85.89	86.00	86.13	86.24	86.38
EURINR (Nov)	86.08	86.23	86.44	86.59	86.80
GBPINR (Oct)	94.56	94.81	95.16	95.41	95.77
GBPINR (Nov)	94.81	95.05	95.41	95.66	96.02
JPYINR (Aug)	69.47	69.65	69.81	69.99	70.14
JPYINR (Nov)	69.75	69.89	69.97	70.11	70.19

US\$INR Strategy

US\$INR Oct futures contract (NSE)

Sell US\$ in the range of 73.45-73.50	Market Lot: US\$1000
Target: 73.35/ 73.25	Stop Loss: 73.61
Support: 73.25/73.15	Resistance: 73.65/73.75

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.



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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