

October 21, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Oct	Buy	73.47	73.67	73.33	1 day

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INR Futures

Currency Pair	Close	Pvs. Close	% Change
US\$INR (Oct)	73.52	73.38	0.19
EURINR (Oct)	86.80	86.32	0.56
GBPINR (Oct)	95.24	95.38	-0.14
JPYINR (Oct)	69.63	69.66	-0.04

- US\$INR futures rose slightly on Tuesday as domestic equities corrected slightly. However, a fall in the US dollar index capped gains in the pair
- The dollar index dipped on Tuesday but moves were muted as investors awaited the outcome of fiscal stimulus talks ahead of the upcoming US presidential election and as Coronavirus cases spiked in Europe

Global Bonds

Bonds	Close	Change	% Change
India 10 Year	5.93	-0.01	0.00
India 2 Year	4.24	-0.01	0.00
US 10 Year	0.79	0.03	3.99
US 2 Year	0.15	0.00	1.50
Germany 10 Year	-0.60	0.01	1.08

- Post a negative opening, private banks and IT witnessed buying pressure while the Nifty made a high of 11949. However, profit taking in select auto along with FMCG stocks dragged the market lower. Finally, it ended at 11896, with a gain of 0.20%
- In early hours, the Bank Nifty managed to hold the Put base of 24000 and reversed during the day. Select private banks saw a recovery from lower levels, which helped the Bank Nifty to end near 24400. Looking at the options data, this current recovery may extend up to 25000 levels as it has maximum Call OI

FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	6349	4358	1991
Debt	1025	1046	-21
Net			1970

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 1970 crore on October 19, 2020. They bought worth ₹ 1991 crore in the equity market and sold worth ₹ 21 crore in the debt market.

US\$INR futures on NSE

Contracts	LTP	(%) change	OI	Vol	(% change)	
					OI	Vol
Oct	73.52	0.19	1796612	1864527	-4.89	63.72
Nov	73.72	0.19	471044	278954	22.46	25.87
Oct-Nov	-0.20	-	-	1585573	-	-

- While markets are confident a win by Biden would lead to more fiscal stimulus, potentially weakening the dollar, investors are also wary of a potentially contested election result that may boost the safe-haven appeal of the greenback
- The dollar-rupee October contract on the NSE was at 73.52 in the last session. The open interest in the October series declined 4.89% while it increased 22.46% in the next series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	73.26	73.39	73.47	73.59	73.67
US\$INR (Nov)	73.47	73.59	73.67	73.79	73.87
EURINR (Oct)	86.09	86.44	86.64	86.99	87.18
EURINR (Nov)	86.35	86.69	86.87	87.21	87.39
GBPINR (Oct)	94.61	94.92	95.16	95.47	95.71
GBPINR (Nov)	94.87	95.17	95.40	95.70	95.92
JPYINR (Oct)	69.43	69.53	69.60	69.70	69.77
JPYINR (Nov)	69.62	69.72	69.80	69.90	69.98

US\$INR Strategy

US\$INR Oct futures (NSE)

Buy US\$INR in the range of 73.46-73.48

Market Lot: US\$1000

Targets: 73.59, 73.67

Stop Loss: 73.33

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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