

October 28, 2020

# Daily Currency outlook

## Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	November futures	Sell	73.97	73.70	74.11	1 day

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## INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	73.70	73.88	-0.18
EUR-INR	87.09	87.38	-0.29
GBP-INR	96.17	96.24	-0.07
JPY-INR (Future)	70.45	70.60	-0.15

- After starting the week on a dismal note, the US\$INR currency pair gave up its gains and moved lower. Positive domestic equities inflows and weakness in Dollar index added more pressure
- Dollar index remained depressed below 93 levels due to lack of clarity in stimulus. Durable goods data was above expectation whereas volatility would be seen post consumer confidence data, which is lined up later

## Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.85	5.83	0.21
India 2 Year	4.19	4.15	1.08
US 10 Year	0.77	0.80	-4.13
US 2 Year	0.15	0.15	-1.32
Germany 10 Year	-0.62	-0.58	7.24

- In the early hours, technology stocks witnessed selling pressure while the Nifty made a low of 11723. However, a recovery in FMCG along with outperformance in BFSI & cement stocks helped the market to recover intraday losses. Finally, it ended at 11889, with a gain of 1%
- The Bank Nifty consolidated in the first half with stock specific action. However, outperformance was clearly seen in private banks. Kotak Mahindra Bank and Axis Bank helped the Bank Nifty futures to trade above 24700

## FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	5349	5238	111
Debt	1176	1223	-47
Net			64

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 64 crore on October 26, 2020. They bought worth ₹ 111 crore in the equity market and sold worth ₹ 47 crore in the debt market

## US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Nov	73.87	-0.42	1379577	2581758	36.15	1.34
Dec	74.11	-2.44	299522	172727	-38.47	0.46
Nov-Dec	0.23	-	-	2409031	-	-0.87

- Call writers of 74 strike continued to dominate for a few expiries. We continue to feel the US\$INR pair would consolidate unless a sustainable close is seen above 74 level
- The dollar-rupee November contract on the NSE was at 73.87 in the last session. The open interest rose 36.1% for the November series contract

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	73.62	73.74	73.98	74.11	74.34
US\$INR (Dec)	73.86	73.98	74.21	74.33	74.56
EURINR (Nov)	86.90	87.10	87.39	87.59	87.88
EURINR (Dec)	87.18	87.37	87.66	87.85	88.14
GBPINR (Nov)	95.76	96.00	96.33	96.58	96.91
GBPINR (Dec)	96.02	96.28	96.63	96.89	97.24
JPYINR (Aug)	70.29	70.42	70.62	70.75	70.95
JPYINR (Dec)	70.52	70.64	70.82	70.94	71.12

## US\$INR Strategy

### US\$INR NOV futures contract (NSE)

Sell US\$INR in the range of 73.95-74.00

Market Lot: US\$1000

Target: 73.80/ 73.70

Stop Loss: 74.11

Support: 73.50/73.70

Resistance: 74.0/74.1

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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