

October 29, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	November futures	Buy	73.95	74.20	73.80	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	73.88	73.70	0.18
EUR-INR	87.05	87.09	-0.04
GBP-INR	96.41	96.17	0.24
JPY-INR (Future)	71.09	70.45	0.64

- The rupee further depreciated by 18 paise and moved towards the levels of 74. Weakness in domestic equities, fresh lockdown in Europe and rise in dollar index pushed the rupee weaker
- Weakness in Euro helped the Dollar index to move above 93.6 levels. Pandemic concerns and US advanced trade deficit data pushed focus towards risk aversion assets class

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.85	5.85	0.05
India 2 Year	4.21	4.19	0.36
US 10 Year	0.78	0.77	2.35
US 2 Year	0.15	0.15	1.34
Germany 10 Year	-0.63	-0.62	0.80

- After witnessing buying in the initial hour of trade, the index was unable to hold on to its gains on the back of selling in metal, pharma and BFSI stocks. On the options front, aggressive Call writing was seen in 11800 and 11900 strikes, which may act as immediate hurdle on upsides
- After trading near the resistance area of 25000, Call writers dominated the day, ending with a loss of 2%. Most private as well as PSU banks witnessed profit booking at higher levels. On the options front, there was significant Call OI at 24500

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	10966	7377	3589
Debt	541	1567	-1027
Net			2562

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 2562 crore on October 27, 2020. They bought worth ₹ 3589 crore in the equity market and sold worth ₹ 1027 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Nov	74.08	0.28	1365778	1828810	-1.00	-0.29
Dec	74.31	0.27	319317	120034	6.61	-0.31
Nov-Dec	0.23	-	-	1708776	-	-0.01

- US\$INR future settled above 74 as the new series started closure is seen in ATM strike Calls. We feel appreciation could be seen in Dollar index due to fresh lock-down in Europe. This will keep the rupee move in check
- The dollar-rupee November contract on the NSE was at 74.08 in the last session. The open interest fell 1% for the November series contract

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	73.70	73.89	73.99	74.18	74.28
US\$INR (Dec)	73.94	74.12	74.22	74.41	74.51
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)

Buy US\$INR in the range of 73.90-74.00

Market Lot: US\$1000

Target: 74.1/ 74.20

Stop Loss: 73.8

Support: 73.60/73.80

Resistance: 74.1/74.3

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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