

October 30, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	November futures	Buy	74.35	74.65	74.20	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	74.10	73.88	0.22
EUR-INR	86.75	87.05	-0.30
GBP-INR	96.09	96.41	-0.32
JPY-INR (Future)	71.63	71.09	0.54

- The rupee continued its downward journey as it moved above 74 levels. Yesterday it fell by 23 paise and ended near 74.1 whereas November future above 74.55. Choppy domestic equities and strengthening of Dollar index remains major concern
- The Dollar index remained cautious ahead of the ECB event. However, recent lockdown and uncertainty on the amount of stimulus attracted risk: aversion buying

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.88	5.85	0.55
India 2 Year	4.19	4.21	-0.45
US 10 Year	0.82	0.78	4.72
US 2 Year	0.15	0.15	-1.32
Germany 10 Year	-0.63	-0.63	0.48

- 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 option front, aggressive Call writing was seen in 11800 and 11900 strikes, which may act as immediate hurdle on upsides
- A volatile session ended with loss of 59 points at 11671. Sectorally, action was seen in cement, select technology and energy stocks whereas selling was witnessed in banking, auto and metal stocks

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	7621	8493	-872
Debt	371	1011	-640
Net			-1512

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 1512 crore on October 28, 2020. They sold worth ₹ 872 crore in the equity market and sold worth ₹ 640 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Nov	74.61	0.72	1562041	2814263	14.37	0.54
Dec	74.84	0.72	424945	380532	33.08	2.17
Nov-Dec	0.23	-	-	2433731	-	1.63

- As the rupee moved above 74 levels, aggressive selling was seen due to which it depreciated sharply. As no major weakness seen in Dollar index, we feel the rupee will continue to depreciate
- The dollar-rupee November contract on the NSE was at 74.61 in the last session. The open interest rose by 14.4% for the November series contract

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	73.90	74.25	74.45	74.80	75.00
US\$INR (Dec)	74.13	74.49	74.68	75.03	75.23
EURINR (Nov)	86.93	87.17	87.32	87.56	87.70
EURINR (Dec)	87.23	87.47	87.61	87.84	87.98
GBPINR (Nov)	96.01	96.39	96.70	97.08	97.39
GBPINR (Dec)	96.19	96.61	97.06	97.48	97.93
JPYINR (Aug)	70.71	71.17	71.42	71.89	72.14
JPYINR (Dec)	70.84	71.35	71.67	72.18	72.50

US\$INR Strategy

US\$INR NOV futures contract (NSE)

Buy US\$INR in the range of 74.30-74.40

Market Lot: US\$1000

Target: 74.55/ 74.65

Stop Loss: 74.2

Support: 74.0/74.2

Resistance: 74.7/74.8

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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