

November 3, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	November futures	Buy	74.38	74.65	74.20	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	74.42	74.10	0.32
EUR-INR	86.60	86.75	-0.15
GBP-INR	96.07	96.09	-0.02
JPY-INR (Future)	71.20	71.63	-0.43

- The rupee continue to depreciate in the spot market and moved towards 74.42 levels tracking a strong US dollar last week. However, rupee future ended almost flat compared to its last trading session
- The Dollar index started the week on optimistic note and moved above the levels of 94 on Monday. Further upsides bring September high of 94.75 into focus. If the index continue to rise further then those levels should be seen

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.89	5.88	0.15
India 2 Year	4.19	4.19	-0.07
US 10 Year	0.85	0.82	3.78
US 2 Year	0.16	0.15	6.04
Germany 10 Year	-0.63	-0.63	0.63

- For a major part of the day, the index consolidated with 11650 acting as a midpoint. Buying in banking and financial led the index to end with gain of 25 points
- Outperformance was clearly visible in banking stocks, which led the Bank Nifty to reclaim 25000. IndusInd Bank was the leader whereas most private as well as PSU banks witnessed large upsides. Looking at the addition in OTM and ATM Call strike, we feel upsides are likely to be limited

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	12404	13810	-1406
Debt	1466	986	480
Net			-926

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 926 crore on October 30, 2020. They sold worth ₹ 1406 crore in the equity market and bought worth ₹ 480 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Nov	74.59	-0.02	1592161	2087391	1.93	-0.26
Dec	74.83	-0.02	511572	362988	20.39	-0.05
Nov-Dec	0.24	-	-	1724403	-	0.21

- The rupee depreciated and the pair remained at the elevated levels due to sharp rise in Dollar index. We feel due to surge in volatility in forex market, trading range would be high. However, closure in OTM strike Calls are indicating that the rupee could move towards 75 levels
- The dollar-rupee November contract on the NSE was at 74.59 in the last session. The open interest rose 1.9% 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 74.35-74.40

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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