

November 4, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	November futures	Buy	74.38	74.70	74.20	1 day

Research Analysts

Raj Deepak Singh

rajdeepak.singh@icicisecurities.com

Nandish Patel

nandish.patel@icicisecurities.com

Mohit Agarwal

mohit.agarwal@icicisecurities.com

INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	74.40	74.42	-0.02
EUR-INR	87.27	86.60	0.67
GBP-INR	97.14	96.07	1.07
JPY-INR (Future)	71.10	71.20	-0.10

- Despite strong equities and weakness in the US dollar, the rupee erased its early gains and closed almost flat. We feel intraday volatility would be high for a few sessions
- After posting the heaviest drop in two months, volatility remained high for the Dollar index. US Presidential election outcome would decide the fate of the Dollar index

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.90	5.89	0.14
India 2 Year	4.18	4.19	-0.19
US 10 Year	0.94	0.85	10.56
US 2 Year	0.18	0.16	11.39
Germany 10 Year	-0.62	-0.63	-2.05

- After witnessing support near 11550 on Monday, the Nifty witnessed a sharp pullback on Tuesday and rallied nearly 140 points to end above 11800 levels. Banking stocks along with pharma stocks and ITC were leaders whereas other heavyweights remain subdued
- Outperformance in banking stocks led the Bank Nifty to test its Call base of 25500. The buying was seen in the leading private along with PSU banks whereas other banks also provided support

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	7099	6243	856
Debt	750	1106	-355
Net			501

- Foreign institutional investors (FII) were net buyer to the tune of ₹ 501 crore on November 2, 2020. They bought worth ₹ 856 crore in the equity market and sold worth ₹ 355 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(%) change	
					OI	Vol
Nov	74.52	-0.09	1588145	1793689	-0.25	-0.14
Dec	74.76	-0.09	548942	195350	7.30	-0.46
Nov-Dec	0.23	-	-	1598339	-	-0.32

- Rupee future has been consolidating near 74.5 levels for a few sessions. Due to higher volatility ahead of the US Presidential election outcome, OI is distributed in deep OTM strikes. We feel the rupee will also remain volatile in coming session and can move towards 75 levels
- The dollar-rupee November contract on the NSE was at 74.52 in the last session. The open interest fell by 0.3% for the November series contract

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	74.30	74.41	74.50	74.61	74.70
US\$INR (Dec)	74.50	74.63	74.76	74.89	75.03
EURINR (Nov)	86.54	86.88	87.06	87.40	87.58
EURINR (Dec)	86.81	87.15	87.33	87.67	87.85
GBPINR (Nov)	95.82	96.33	96.60	97.10	97.38
GBPINR (Dec)	95.90	96.50	96.83	97.43	97.76
JPYINR (Aug)	70.87	71.00	71.15	71.27	71.42
JPYINR (Dec)	71.09	71.21	71.36	71.48	71.62

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: 74.60/ 74.70

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.



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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