

November 23, 2020

## Daily Currency outlook

### Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	November futures	Sell	74.30	74.05	74.46	1 day

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## Currency

Currency	Close	Pvs. Close	% Change
US\$-INR	74.16	74.26	-0.10
EUR-INR	87.97	87.71	0.26
GBP-INR	98.43	97.96	0.47
JPY-INR (Future)	71.46	71.20	0.26

- The rupee appreciated around 10 paise in the last session as significant inflows continued in domestic equities
- The Dollar index is moving towards 92 levels while dollar weakness is prompting gains among emerging market currencies. Foreign inflows were significantly higher among EMs while India saw inflows of more than \$6 billion into equities in November itself

## Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.88	5.88	0.02
India 2 Year	3.97	4.02	-1.10
US 10 Year	0.82	0.83	-0.24
US 2 Year	0.16	0.17	-2.42
Germany 10 Year	-0.58	-0.57	2.28

- The Nifty witnessed some follow-up buying and moved towards 12900. However, sustaining at the same pace seems difficult at 13000. The index witnessed profit taking action in a few heavyweight stocks
- On the back of participation from HDFC Bank and Kotak Mahindra Bank, the index moved towards 29200. On the options front, maximum Call OI is at 29500 followed by 30000 strikes. On the other hand, 28000 Put holds significant OI. This indicates possible consolidation between these levels in the expiry week

## FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	11694	9506	2188
Debt	347	1114	-766
Net			1422

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 1422 crore on November 19, 2020. They bought worth ₹ 2188 crore in the equity market whereas they sold worth ₹ 766 crore in the debt market

## US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Nov	74.18	-0.14	1424423	2016247	-1.06	0.14
Dec	74.41	-0.14	1040474	373568	6.11	0.02
Nov-Dec	0.23	-	-	1642679	-	-0.11

- US\$INR has moved closer to its highest Put base of 74 strike and considering continued weakness in Dollar index along with FII inflows, it may breach these levels as well. In such a scenario, the rupee may move towards 73.50 in the short-term
- The dollar-rupee November contract on the NSE was at 74.18 in the last session. The open interest fell almost 1% for the November series contract

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	74.04	74.11	74.17	74.24	74.29
US\$INR (Dec)	74.27	74.34	74.40	74.46	74.52
EURINR (Nov)	87.67	87.80	88.00	88.13	88.33
EURINR (Dec)	87.98	88.11	88.29	88.42	88.60
GBPINR (Nov)	98.04	98.22	98.37	98.55	98.70
GBPINR (Dec)	98.34	98.52	98.66	98.84	98.98
JPYINR (Aug)	71.25	71.33	71.40	71.48	71.54
JPYINR (Dec)	71.45	71.53	71.60	71.67	71.74

## US\$INR Strategy

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

Sell US\$INR in the range of 74.28-74.32	Market Lot: US\$1000
Target: 74.05/ 73.90	Stop Loss: 74.46
Support: 74.00/73.80	Resistance: 74.46/74.55

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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