

December 28, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	December futures	Sell	73.70	73.50	73.82	1 day

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Currency

Currency	Close	Pvs. Close	% Change
US\$-INR	73.54	73.76	-0.22
EUR-INR	89.68	90.04	-0.36
GBP-INR	99.67	99.79	-0.12
JPY-INR (Future)	70.99	71.32	-0.33

- The rupee continued to strengthen and moved towards its major support level of 73.50 once again. The Indian currency closed near 73.54 levels, appreciating by almost 22 paise in spot
- The dollar started weakening again after a round of risk aversion was seen in the early part of last week. The announcement of Brexit also provided further momentum to the GBP and Euro

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.93	5.95	-0.35
India 2 Year	3.89	3.87	0.39
US 10 Year	0.93	0.96	-3.04
US 2 Year	0.12	0.12	1.65
Germany 10 Year	-0.55	-0.55	-0.72

- On Thursday, the Nifty ended over 1% higher for a third consecutive day followed by positive global cues. Sectorally, the action was seen in banking and pharma stocks, which pushed the Nifty higher
- The Bank Nifty opened higher and remained positive throughout the day. Participation was seen in most leaders from private banks as well as PSU banks. By looking at the OI set-up in private banks, we feel the upside in the index is likely to continue while the index may test its major Call base of 31000

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	5378	4678	699
Debt	1362	2426	-1063
Net			-364

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 364 crore on December 23, 2020. They bought worth ₹ 699 crore in the equity market whereas they sold worth ₹ 1063 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Dec	73.56	-0.24	4721816	1559861	-2.11	0.20
Jan	73.76	-0.24	885610	506073	9.54	0.23
Dec-Jan	0.20	-	-	1053788	-	0.03

- Due to fresh weakness in the Dollar index, the rupee started strengthening once again. We expect the pair to move below 73.50 in the coming sessions as the dollar is likely to remain weak and move below 90 levels
- The dollar-rupee December contract on the NSE was at 73.56 in the last session. The open interest declined marginally by 2% for the December series contract

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Dec)	73.38	73.47	73.62	73.70	73.85
US\$INR (Jan)	73.60	73.68	73.82	73.90	74.04
EURINR (Dec)	89.31	89.50	89.79	89.98	90.27
EURINR (Jan)	89.62	89.81	90.10	90.29	90.57
GBPINR (Dec)	99.50	99.74	99.91	100.15	100.32
GBPINR (Jan)	99.44	99.83	100.10	100.49	100.76
JPYINR (Dec)	70.61	70.80	71.12	71.31	71.63
JPYINR (Jan)	70.90	71.03	71.23	71.36	71.56

US\$INR Strategy

US\$INR DEC futures contract (NSE)

Sell US\$INR in the range of 73.68-73.72

Market Lot: US\$1000

Target: 73.50/ 73.40

Stop Loss: 73.82

Support: 73.50/73.40

Resistance: 73.82/73.95

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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