

December 29, 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	73.50	73.54	-0.04
EUR-INR	89.88	89.68	0.20
GBP-INR	99.22	99.67	-0.45
JPY-INR (Future)	71.00	70.99	0.01

- Yesterday there was quiet trading for the rupee as after initial volatility, it ended almost flat. However, development on vaccine and news related to fresh cases of Covid-19 would keep the rupee move in check
- Dollar index bounced and remained above 90 levels as US fiscal stimulus is formalised and a government shutdown is avoided. We feel the index is likely to consolidate near 90 levels

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.93	5.93	-0.07
India 2 Year	3.88	3.89	-0.23
US 10 Year	0.95	0.93	2.05
US 2 Year	0.13	0.12	3.25
Germany 10 Year	-0.57	-0.55	4.00

- The Nifty rallied for a fourth consecutive session and ended at record highs on Monday on the back of positive global cues and continuous FII buying interest. Sectorally, action was seen in BFSI, metal and auto stocks whereas profit booking was seen in select pharma stocks
- The Bank Nifty continued its upward journey and witnessed sharp upsides on the back of a strong up move seen among heavyweights like SBI, Kotak Mahindra Bank and HDFC Bank

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	804	516	288
Debt	2209	772	1436
Net			1724

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 1724 crore on December 24, 2020. They bought worth ₹ 288 crore in the equity market and worth ₹ 1436 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(%) change	
					OI	Vol
Dec	73.58	0.02	4545486	1378974	-3.73	-0.12
Jan	73.77	0.01	1084220	748162	22.43	0.48
Dec-Jan	0.19	-	-	630812	-	0.59

- The US\$INR pair has moved near its sizeable Put base of 73.5 and is consolidating near these levels. Possibility of no clear direction in the Dollar index may help the rupee to appreciate in today's session
- The dollar-rupee December contract on the NSE was at 73.58 in the last session. The open interest declined marginally by 3.8% 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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