

December 31, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	January futures	Sell	73.51	73.30	73.62	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	73.30	73.50	-0.20
EUR-INR	89.90	89.88	0.02
GBP-INR	99.51	99.22	0.29
JPY-INR (Future)	70.70	71.00	-0.30

- The rupee violated its important support of 73.5, which is likely to help it appreciate and move towards 73 levels in coming days. Positive domestic equities and weakness in Dollar index would provide support
- The Dollar index fell towards fresh low of April 2018 on the back of uncertainty over stimulus. US Chicago Purchasing managers and pending home sales data can offer some volatility

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.90	5.93	-0.44
India 2 Year	3.89	3.88	0.18
US 10 Year	0.93	0.95	-2.01
US 2 Year	0.13	0.13	-1.57
Germany 10 Year	-0.58	-0.57	1.05

- For a major part of the day, the index consolidated with 13920 acting as a midpoint amid high volatility. Buying in cement and auto led the index to end positive with a gain of 0.35%. On the options front, noteworthy OI holds at 14000 Call and 13900 Put strike. We feel a consolidation move will take place before crossing the 14000-14050 hurdle
- The Bank Nifty future saw sideways trade but remained firm above 31000 throughout the day. Most private and midcap banks witnessed supply from higher levels

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	5460	3049	2411
Debt	523	540	-18
Net			2394

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 2394 crore on December 29, 2020. They bought worth ₹ 2411 crore in the equity market and sold worth ₹ 18 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Jan	73.41	-0.49	1980018	1446045	82.62	0.93
Feb	73.60	-0.61	217541	68620	107.20	2.13
Jan-Feb	0.20	-	-	1377425	-	1.20

- Continuous inflows from FIIs and dollar weakness has helped the rupee to appreciate. As it has violated its sizeable Put base of 73.5, it can slide towards 73 levels in coming days
- The dollar-rupee January contract on the NSE was at ₹ 73.41 in the last session. The open interest in the January series increased almost 82%

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	73.00	73.21	73.40	73.61	73.80
US\$INR (Feb)	73.17	73.38	73.52	73.73	73.87
EURINR (Jan)	89.31	89.50	89.79	89.98	90.27
EURINR (Feb)	89.62	89.81	90.10	90.29	90.57
GBPINR (Jan)	99.50	99.74	99.91	100.15	100.32
GBPINR (Feb)	99.44	99.83	100.10	100.49	100.76
JPYINR (Jan)	70.61	70.80	71.12	71.31	71.63
JPYINR (Feb)	70.90	71.03	71.23	71.36	71.56

US\$INR Strategy

US\$INR JAN futures contract (NSE)

Sell US\$INR in the range of 73.50-73.52	Market Lot: US\$1000
Target: 73.40/ 73.30	Stop Loss: 73.62
Support: 73.00/73.20	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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