

January 15, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	January futures	Buy	73.13	73.33	73.03	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	73.04	73.14	-0.10
EUR-INR	88.60	88.97	-0.37
GBP-INR	99.87	99.89	-0.02
JPY-INR (Future)	70.60	70.56	0.04

- The rupee strengthened gains for the third day in a row and managed to end 10 paise higher as dollar index strengthened ahead of expected announcement of new US stimulus.
- The US Dollar index reverted from 90.70 level but stayed firm above 90 levels. Powell has said that there will be no tapering till inflation moves up in a way that are unwelcome.

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.92	5.95	-0.39
India 2 Year	4.19	4.20	-0.07
US 10 Year	1.10	1.12	-1.08
US 2 Year	0.14	0.15	-6.71
Germany 10 Year	-0.55	-0.51	7.45

- The Bank Nifty lacked trading volumes and remained lacklustre for a major part of the day. Post a negative start, the index witnessed some recovery but could not make sustainable gains.
- Post a flat opening, select technology stocks witnessed selling pressure while the Nifty made a low of 14500. However, a late recovery in energy along with outperformance in pharma & FMCG stocks helped the market to recover the intraday losses. Finally, it settled near 14600 levels.

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	10375	8209	2166
Debt	739	941	-202
Net			1964

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 1964 crore on January 13, 2020. They bought worth ₹ 2166 crore in the equity market and sold worth ₹ 202 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Jan	73.15	-0.32	2705642	1878692	1.51	0.12
Feb	73.38	-0.29	508786	295833	29.77	0.02
Jan-Feb	0.23	-	-	1582859	-	-0.10

- The US\$INR pair appreciated and moved towards 73 levels as FII flow continued in the equity markets. Along with the marginal decline in Dollar index. However, the recent pick-up in US yields continues to lend supports the recovery in DXY.
- The dollar-rupee January contract on the NSE was at ₹ 73.15 in the last session. The open interest remained almost flat in the January series contracts while it increased by almost 28% for February series.

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	72.91	73.03	73.18	73.30	73.45
US\$INR (Feb)	73.14	73.26	73.40	73.52	73.66
EURINR (Jan)	88.70	88.82	88.94	89.06	89.17
EURINR (Feb)	88.98	89.09	89.21	89.32	89.45
GBPINR (Jan)	99.57	99.68	99.84	99.96	100.12
GBPINR (Feb)	99.87	99.97	100.13	100.23	100.38
JPYINR (Jan)	70.18	70.28	70.38	70.49	70.59
JPYINR (Feb)	70.40	70.50	70.60	70.70	70.80

US\$INR Strategy

US\$INR JAN futures contract (NSE)

Buy US\$INR in the range of 73.11-73.15

Market Lot: US\$1000

Target: 73.33/ 73.45

Stop Loss: 73.03

Support: 73.03/72.95

Resistance: 73.33/73.45

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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ANALYST CERTIFICATION

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