

January 21, 2021

Daily Currency outlook

Recommendation in the report

| Currency Pair | Contract | Action | Price | Target | Stoploss | Duration |
|---------------|-----------------|--------|-------|--------|----------|----------|
| US\$INR | January futures | Buy | 73.15 | 73.35 | 73.00 | 1 day |

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INR Futures

| Currency | Close | Pvs. Close | % Change |
|------------------|-------|------------|----------|
| US\$-INR | 73.03 | 73.16 | -0.13 |
| EUR-INR | 88.26 | 88.70 | -0.44 |
| GBP-INR | 99.52 | 99.59 | -0.07 |
| JPY-INR (Future) | 70.40 | 70.57 | -0.17 |

- Rupee further strengthen by 13 paise and moved towards the level of 73 as investors prepared for US Treasury Secretary. However, trade deficit continue to widen to 15.44 billion.
- The Dollar index continue to remain firm above 90 levels as rising US treasury yields and caution about the global economic recovery..

Global Bonds

| Indices | Close | Pvs. Close | % Change |
|-----------------|-------|------------|----------|
| India 10 Year | 5.94 | 5.94 | 0.07 |
| India 2 Year | 4.21 | 4.22 | -0.28 |
| US 10 Year | 1.09 | 1.12 | -2.78 |
| US 2 Year | 0.13 | 0.14 | -8.51 |
| Germany 10 Year | -0.53 | -0.52 | 3.10 |

- The momentum of the Nifty continues to remain positive on the back of positive global cues. The Nifty ended above its major call base of 14600 with a positive advance decline ratio. Looking at OI data, we feel ongoing upside will continue towards 14700-14800 levels with intermediate support of 14500
- The Bank Nifty opened higher and remained positive throughout the day. Participation was seen in midcap as well as PSU banks whereas major leading private banks remained subdued.

FII & FPI Activities

| Segment | Purchase | Sell | Net Rs. crores |
|---------|----------|------|----------------|
| Equity | 7334 | 6487 | 847 |
| Debt | 243 | 428 | -185 |
| Net | | | 662 |

- Foreign institutional investors (FII) remained positive as they bought to the tune of ₹ 662 crore on January 19, 2020. They bought worth ₹ 847 crore in the equity market and sold worth ₹ 185 crore in the debt market

US\$INR futures on NSE

| Contracts | LTP | chng (%) | OI | Vol | (%) change | |
|-----------|-------|----------|---------|---------|-------------|-------|
| | | | | | OI | Vol |
| Jan | 73.08 | -0.16 | 2618281 | 1310587 | 0.71 | -0.08 |
| Feb | 73.30 | -0.18 | 765908 | 250529 | 4.78 | -0.23 |
| Jan-Feb | 0.22 | - | - | 1060058 | - | -0.16 |

- The Put base at 73 is likely to act as crucial levels for the currency pair as it has remained an important support in the recent past. A move below these levels might open the gates for sharp appreciation.
- The dollar-rupee January contract on the NSE was at ₹ 73.08 in the last session. The open interest increased by 0.7% in the current series.

Pivot levels

| Futures | S2 | S1 | Pivot | R1 | R2 |
|---------------|-------|-------|-------|--------|--------|
| US\$INR (Jan) | 73.03 | 73.11 | 73.25 | 73.33 | 73.47 |
| US\$INR (Feb) | 73.24 | 73.34 | 73.47 | 73.57 | 73.71 |
| EURINR (Jan) | 88.42 | 88.62 | 88.74 | 88.94 | 89.06 |
| EURINR (Feb) | 88.73 | 88.91 | 89.02 | 89.20 | 89.31 |
| GBPINR (Jan) | 99.35 | 99.51 | 99.68 | 99.83 | 100.00 |
| GBPINR (Feb) | 99.71 | 99.84 | 99.94 | 100.07 | 100.18 |
| JPYINR (Jan) | 70.24 | 70.33 | 70.45 | 70.55 | 70.67 |
| JPYINR (Feb) | 70.50 | 70.58 | 70.66 | 70.74 | 70.82 |

US\$INR Strategy

US\$INR JAN futures contract (NSE)

Buy US\$INR in the range of 73.14-73.16

Market Lot: US\$1000

Target: 73.25/ 73.35

Stop Loss: 73.0

Support: 73.00/72.90

Resistance: 73.35/73.55

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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ANALYST CERTIFICATION

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