

January 22, 2021

## Daily Currency outlook

### Recommendation in the report

| Currency Pair | Contract        | Action | Price | Target | Stoploss | Duration |
|---------------|-----------------|--------|-------|--------|----------|----------|
| US\$INR       | January futures | Buy    | 73.10 | 73.30  | 72.98    | 1 day    |

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## INR Futures

| Currency         | Close  | Pvs. Close | % Change |
|------------------|--------|------------|----------|
| US\$-INR         | 72.99  | 73.03      | -0.04    |
| EUR-INR          | 88.57  | 88.26      | 0.31     |
| GBP-INR          | 100.06 | 99.52      | 0.54     |
| JPY-INR (Future) | 70.66  | 70.40      | 0.26     |

- Rupee continue to strengthen and closed near 4 month highs in the last session appreciating by 5 paise. It also closed below 73 levels amid continued flows seen in domestic equities.
- GBPUSD pair rose to 1.3746, touching the highest level since May 2018. The Dollar index slipped against all Group-of-10 peers amid heightened global risk appetite.

## Global Bonds

| Indices         | Close | Pvs. Close | % Change |
|-----------------|-------|------------|----------|
| India 10 Year   | 5.96  | 5.94       | 0.25     |
| India 2 Year    | 4.25  | 4.21       | 0.93     |
| US 10 Year      | 1.09  | 1.09       | 0.37     |
| US 2 Year       | 0.13  | 0.13       | 1.55     |
| Germany 10 Year | -0.52 | -0.53      | -1.88    |

- The Nifty snapped its two day winning streak as selling emerged from its highest Call base. On the options front, additions were seen in 14600 and 14700 Call strikes. These levels should act as hurdles on upsides. However, on the downside, 14500, 14200 should be intermediate support for the expiry week.
- Selling intensified in the banking space, which dragged the index lower towards its major Put base of 32000. Apart from Axis Bank, all major banks were big losers

## FII & FPI Activities

| Segment | Purchase | Sell | Net Rs. crores |
|---------|----------|------|----------------|
| Equity  | 7904     | 5409 | 2495           |
| Debt    | 723      | 2742 | -2019          |
| Net     |          |      | 476            |

- Foreign institutional investors (FII) remained positive as they bought to the tune of ₹ 476 crore on January 20, 2020. They bought worth ₹ 2495 crore in the equity market and sold worth ₹ 2019 crore in the debt market.

## US\$INR futures on NSE

| Contracts | LTP   | chng (%) | OI      | Vol     | (% change) |      |
|-----------|-------|----------|---------|---------|------------|------|
|           |       |          |         |         | OI         | Vol  |
| Jan       | 73.03 | -0.07    | 2636991 | 1789505 | 0.71       | 0.37 |
| Feb       | 73.27 | -0.04    | 1206064 | 1212582 | 57.47      | 3.84 |
| Jan-Feb   | 0.24  | -        | -       | 576923  | -          | 3.47 |

- The USDINR pair is still holding above its major Put base of 73 ahead of settlement next week. We believe the current resilience of Rupee might continue in the near term and current levels may be utilized for creating long positions.
- The dollar-rupee January contract on the NSE was at ₹ 73.03 in the last session. The open interest increased by 0.7% in the current series while February series saw an increase of over 50% in open interest.

## Pivot levels

| Futures       | S2    | S1    | Pivot  | R1     | R2     |
|---------------|-------|-------|--------|--------|--------|
| US\$INR (Jan) | 72.87 | 72.95 | 73.01  | 73.08  | 73.14  |
| US\$INR (Feb) | 73.04 | 73.16 | 73.25  | 73.37  | 73.46  |
| EURINR (Jan)  | 88.36 | 88.51 | 88.62  | 88.77  | 88.88  |
| EURINR (Feb)  | 88.64 | 88.79 | 88.90  | 89.05  | 89.17  |
| GBPINR (Jan)  | 99.55 | 99.86 | 100.10 | 100.41 | 100.64 |
| GBPINR (Feb)  | 99.47 | 99.96 | 100.54 | 101.03 | 101.61 |
| JPYINR (Jan)  | 70.30 | 70.45 | 70.56  | 70.72  | 70.82  |
| JPYINR (Feb)  | 70.55 | 70.68 | 70.77  | 70.91  | 71.00  |

## US\$INR Strategy

### US\$INR JAN futures contract (NSE)

|   |                         |
|---|-------------------------|
| Buy US\$INR in the range of 73.08-73.12 | Market Lot: US\$1000    |
| Target: 73.30/ 73.40                    | Stop Loss: 72.98        |
| Support: 72.95/72.85                    | Resistance: 73.30/73.45 |

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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