

February 8, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	February futures	Sell	73.22	73.00	73.31	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	72.92	72.95	-0.03
EUR-INR	87.54	87.49	0.05
GBP-INR	100.02	99.07	0.95
JPY-INR (Future)	69.70	69.51	0.19

- The rupee continued to remain in a range due to contraction in volatility. Last Friday it ended almost flat at 72.92 levels, down 3 paise
- The dollar index continued to hold above 91 levels post its Friday's reversal from higher levels. Disappointing US jobs data caused some investors to scale back bets

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.07	6.07	-0.05
India 2 Year	4.56	4.60	-0.93
US 10 Year	1.18	1.14	4.14
US 2 Year	0.11	0.11	-5.31
Germany 10 Year	-0.44	-0.47	-6.21

- The buying spree continued in the Nifty, helping it to move above 15000. However, in the second half, selling was witnessed in select heavyweights where the Nifty finally ended 30 points higher eroding all its healthy gains
- The rally continued for a sixth day in a row driven by a strong move in private banks. However, Call writers dominated the second half, which triggered profit taking and led the Bank Nifty to end at 35665 from a high of 36640

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	13634	9836	3798
Debt	1175	775	399
Net			4197

- Foreign institutional investors (FII) remained positive as they bought to the tune of ₹ 4197 crore on February 4, 2021. They bought worth ₹ 3798 crore in the equity market and bought worth ₹ 399 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Feb	73.07	-0.08	3141772	1715623	1.90	-0.02
Mar	73.36	-0.09	404438	157845	3.56	0.18
Feb-Mar	0.29	-	-	1557778	-	0.20

- The US\$INR pair is likely to consolidate near 73 levels for a few sessions. However, upsides could be limited due to a sell-off in the Dollar index last Friday
- The dollar-rupee February contract on the NSE was at ₹ 73.07 in the last session. The open interest increased almost 2% for February series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	72.82	72.94	73.06	73.19	73.30
US\$INR (Mar)	73.10	73.23	73.36	73.49	73.62
EURINR (Feb)	87.46	87.62	87.79	87.95	88.12
EURINR (Mar)	87.85	88.01	88.19	88.36	88.54
GBPINR (Feb)	99.49	99.69	99.86	100.06	100.22
GBPINR (Mar)	99.71	99.81	100.01	100.11	100.31
JPYINR (Feb)	69.38	69.45	69.54	69.60	69.70
JPYINR (Mar)	69.66	69.72	69.82	69.88	69.98

US\$INR Strategy

US\$INR Feb futures contract (NSE)

Sell US\$INR in the range of 73.20-73.22	Market Lot: US\$1000
Target: 73.10/ 73.00	Stop Loss: 73.31
Support: 72.95/72.85	Resistance: 73.30/73.50

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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