

February 18, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	February futures	Sell	72.85	72.60	72.97	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	72.74	72.68	0.06
EUR-INR	87.62	88.22	-0.60
GBP-INR	100.81	101.15	-0.34
JPY-INR (Future)	69.22	69.10	0.12

- Amid losses in the domestic market, the rupee slipped 6 paise and closed at 72.74 levels. The Fed meeting outcome could trigger some volatility, which is expected in the Dollar index as well
- The Dollar index moved to weekly high levels as US retail sales came in above consensus. Higher yields undermine the recent upbeat sentiment in the risk complex

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.03	6.02	0.13
India 2 Year	4.53	4.52	0.35
US 10 Year	1.27	1.30	-2.31
US 2 Year	0.11	0.12	-8.55
Germany 10 Year	-0.37	-0.35	5.76

- The Nifty had a weak session as it faced consistent selling pressure at higher levels. Advance decline ratio was also in favour of bears. On the weekly options space, aggressive Call writing was seen at higher levels especially in 15300 and 15400 Call options, which should act as a hurdle
- The Bank Nifty corrected from higher levels as profit booking was seen in private banks. In the weekly options space, 37000 and 37500 Calls have significant OI, which should cap upside gains

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	7784	5572	2212
Debt	725	1596	-870
Net			1342

- Foreign institutional investors (FII) again turned buyer as they bought to the tune of ₹ 1342 crore on February 15, 2021. They bought worth ₹ 2212 crore in the equity market and sold worth ₹ 870 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Feb	72.80	0.02	2846008	2059668	-7.03	16.30
Mar	73.13	0.04	1051088	525971	17.62	3.10
Feb-Mar	0.33	-	-	1533697	-	-

- The US\$INR future partly continued its momentum and gained for a second day. Dollar index moving higher provided support to the pair but we feel upsides could be limited in the pair
- The dollar-rupee February contract on the NSE was at ₹ 72.80 in the last session. The open interest declined almost 7% in the February series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	72.63	72.72	72.86	72.94	73.09
US\$INR (Mar)	72.96	73.04	73.18	73.27	73.41
EURINR (Feb)	87.54	87.71	88.00	88.17	88.46
EURINR (Mar)	89.36	89.40	89.50	89.54	89.64
GBPINR (Feb)	100.30	100.69	100.91	101.30	101.51
GBPINR (Mar)	100.84	101.12	101.29	101.57	101.74
JPYINR (Feb)	68.90	68.99	69.13	69.22	69.35
JPYINR (Mar)	69.18	69.28	69.42	69.52	69.65

US\$INR Strategy

US\$INR Feb futures contract (NSE)

Sell US\$INR in the range of 72.84-72.86

Market Lot: US\$1000

Target: 72.70/ 72.60

Stop Loss: 72.97

Support: 72.65/72.55

Resistance: 72.92/73.05

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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