

February 25, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	March futures	Sell	72.62	72.30	72.77	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	72.32	72.46	-0.14
EUR-INR	87.96	88.06	-0.10
GBP-INR	102.20	102.10	0.10
JPY-INR (Future)	68.50	68.60	-0.10

- Despite some technical glitch faced by the NSE the rupee managed to gain 14 paise and ended at a new one year high. Aggressive buying in extended market hours and positive FII inflows helped the rupee to maintain its gains
- The Dollar index continued to remain near 90 levels as investors waited after Fed's ultra accommodative stance, the second testimony of Fed Chair Jerome Powell, FedSpeak, with housing data next on tap

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.15	6.17	-0.44
India 2 Year	4.73	4.61	2.60
US 10 Year	1.37	1.37	0.00
US 2 Year	0.12	0.11	3.54
Germany 10 Year	-0.32	-0.30	4.61

- On Wednesday, the Nifty rallied over 250 points on the back of strong buying in private banking stocks, after trading hours were extended due to technical glitch faced by NSE. According to option chain, 14700 and 14800 Put option have substantial OI, which should provide support in case of a fall
- The Bank Nifty remained subdued in the first half of the day but during the later part after positive news flow, the scenario had changed as banking stocks came in action.

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	9178	9523	-345
Debt	1501	1037	465
Net			120

- Foreign institutional investors (FII) remained net buyer to the tune of ₹ 120 crore on February 22, 2021. They sold worth ₹ 345 crore in the equity market and bought worth ₹ 465 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Mar	72.64	0.13	2278554	1405671	-12.99	-31.75
Apr	73.03	0.26	800602	188784	-69.43	-90.83
Mar-Apr	0.40	-	-	1216887	-	-

- The US\$INR remained very volatile ahead of the expiry. Traders shifted their Call writing positions to the March series, which is likely to limit upsides in the US\$INR pair
- The dollar-rupee March contract on the NSE was at ₹ 72.64 in the last session. The open interest fell almost 13% in the new series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	72.18	72.31	72.44	72.57	72.70
US\$INR (Apr)	72.11	72.31	72.51	72.71	72.91
EURINR (Mar)	87.49	87.72	87.91	88.14	88.33
EURINR (Apr)	87.89	88.11	88.27	88.49	88.65
GBPINR (Mar)	100.33	101.17	101.83	102.67	103.33
GBPINR (Apr)	100.90	101.70	102.30	103.10	103.70
JPYINR (Mar)	68.22	68.43	68.68	68.90	69.15
JPYINR (Apr)	68.60	68.78	68.93	69.12	69.27

US\$INR Strategy

US\$INR Mar futures contract (NSE)

Sell US\$INR in the range of 72.60-72.64	Market Lot: US\$1000
Target: 72.40/ 72.30	Stop Loss: 72.77
Support: 72.40/72.30	Resistance: 72.82/72.90

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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