

February 26, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	March futures	Sell	72.80	72.65	72.92	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	72.42	72.32	0.10
EUR-INR	87.78	87.96	-0.18
GBP-INR	102.67	102.20	0.47
JPY-INR (Future)	68.59	68.50	0.09

- The rupee depreciated marginally and ended at 72.42 against the dollar despite recent dollar weakness as FII inflows have paused. US yields have moved up sharply towards 1.45 in the last session
- The Dollar index finally moved below 90 levels as fresh momentum was observed across risk assets post comments from the Fed. Euro has also moved to an almost two month high against the dollar

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.18	6.15	0.60
India 2 Year	4.68	4.73	-1.08
US 10 Year	1.46	1.37	6.88
US 2 Year	0.15	0.12	23.93
Germany 10 Year	-0.26	-0.32	-19.81

- The Nifty extended its gains as positive global cues helped the market to open higher though later on it remained in the range of 100 points. According to option chain, 14900 and 15000 Put option has substantial OI, which should provide support in case of a fall while 15100 and 15200 Call option have significant OI, which should cap gains
- The Bank Nifty opened higher but later on profit booking was seen, especially in private banks

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	6019	6319	-300
Debt	1049	2779	-1730
Net			-2031

- Foreign institutional investors (FII) turned net sellers to the tune of ₹ 2031 crore on February 23, 2021. They sold worth ₹ 300 crore in the equity market and sold worth ₹ 1730 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Mar	72.75	0.15	2374580	1991564	4.21	41.68
Apr	73.13	0.13	878410	298045	9.72	57.88
Mar-Apr	0.38	-	-	1693519	-	-

- The US\$INR March futures closed at 72.75 levels. However, considering the significant Call base at 73, we do not expect a major up move from current levels with upsides remaining shorting opportunities
- The dollar-rupee March contract on the NSE was at ₹ 72.75 in the last session. The open interest increased almost 4% in the March series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	72.47	72.61	72.71	72.85	72.95
US\$INR (Apr)	72.81	72.97	73.08	73.25	73.36
EURINR (Mar)	88.02	88.48	88.73	89.20	89.45
EURINR (Apr)	88.49	88.94	89.18	89.64	89.87
GBPINR (Mar)	102.21	102.51	102.71	103.01	103.21
GBPINR (Apr)	102.46	102.86	103.22	103.61	103.97
JPYINR (Mar)	68.31	68.45	68.60	68.74	68.90
JPYINR (Apr)	68.51	68.73	68.91	69.13	69.31

US\$INR Strategy

US\$INR Mar futures contract (NSE)

Sell US\$INR in the range of 72.78-72.82

Market Lot: US\$1000

Target: 72.65/ 72.55

Stop Loss: 72.92

Support: 72.60/72.40

Resistance: 72.92/72.98

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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