

March 9, 2021

Daily Currency outlook

Recommendation in the report

| Currency Pair | Contract | Action | Price | Target | Stoploss | Duration |
|---------------|---------------|--------|-------|--------|----------|----------|
| US\$INR | March futures | Buy | 73.21 | 73.50 | 73.05 | 1 day |

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INR Futures

| Currency | Close | Pvs. Close | % Change |
|------------------|--------|------------|----------|
| US\$-INR | 73.25 | 73.02 | 0.23 |
| EUR-INR | 87.04 | 87.58 | -0.54 |
| GBP-INR | 101.31 | 101.79 | -0.48 |
| JPY-INR (Future) | 67.75 | 67.64 | 0.11 |

Global Bonds

| Indices | Close | Pvs. Close | % Change |
|-----------------|-------|------------|----------|
| India 10 Year | 6.22 | 6.23 | -0.14 |
| India 2 Year | 4.74 | 4.74 | 0.15 |
| US 10 Year | 1.57 | 1.59 | -1.39 |
| US 2 Year | 0.16 | 0.15 | 10.88 |
| Germany 10 Year | -0.28 | -0.31 | -9.68 |

FII & FPI Activities

| Segment | Purchase | Sell | Net Rs. crores |
|---------|----------|-------|----------------|
| Equity | 9492 | 11289 | -1796 |
| Debt | 105 | 962 | -857 |
| Net | | | -2653 |

- The rupee stayed muted in the first half. However, as a sharp move was seen in the Dollar index and a sell-off in domestic equities from higher levels, the rupee depreciated by 23 paise and ended near 73.25 level
- The Dollar index continued to remain firm and moved to a three and a half month high against Euro and almost nine month high against the Yen as higher bond yields, expectations of faster economic normalisation from the pandemic in US put the dollar at an advantage

- Post a gap up opening, the Nifty pared its early gains taking cues from weak Asian markets and rising crude prices. According to option data, 15100 and 15200 Call option has substantial OI, which indicates that the upside should be capped. Hence we have negative bias
- The Bank Nifty witnessed a volatile day as it opened higher but faced resistance from 36000 Call base. According to option data, 34000 and 35000 Put options have noteworthy OI, which should act as support. On the other hand, 36000 Call option have sizeable OI, which should cap upside gains

- Foreign institutional investors (FII) remained net sellers to the tune of ₹ 2653 crore on March 5, 2021. They sold worth ₹ 1796 crore in the equity market and sold worth ₹ 857 crore in the debt market

US\$INR futures on NSE

| Contracts | LTP | chng (%) | OI | Vol | (% change) | |
|-----------|-------|----------|---------|---------|------------|------|
| | | | | | OI | Vol |
| Mar | 73.39 | 0.11 | 2499790 | 2500749 | 4.64 | 0.44 |
| Apr | 73.79 | 0.11 | 978456 | 413667 | 3.08 | 9.50 |
| Mar-Apr | 0.40 | - | - | 2087082 | - | |

- The rupee remained above 73.30 levels as the Dollar index moved above 92 levels. We feel the rupee would continue to depreciate and a move towards 73.6 cannot be ruled out
- The dollar-rupee March contract on the NSE was at ₹ 73.39 in the last session. The open interest increased marginally by 4.6% for the March series

Pivot levels

| Futures | S2 | S1 | Pivot | R1 | R2 |
|---------------|--------|--------|--------|--------|--------|
| US\$INR (Mar) | 72.96 | 73.17 | 73.34 | 73.56 | 73.73 |
| US\$INR (Apr) | 73.20 | 73.50 | 73.82 | 74.11 | 74.44 |
| EURINR (Mar) | 87.08 | 87.20 | 87.35 | 87.47 | 87.62 |
| EURINR (Apr) | 87.67 | 87.72 | 87.74 | 87.79 | 87.82 |
| GBPINR (Mar) | 100.68 | 100.97 | 101.38 | 101.67 | 102.08 |
| GBPINR (Apr) | 101.16 | 101.44 | 101.87 | 102.15 | 102.58 |
| JPYINR (Mar) | 67.12 | 67.38 | 67.71 | 67.97 | 68.30 |
| JPYINR (Apr) | 67.60 | 67.81 | 68.07 | 68.28 | 68.54 |

US\$INR Strategy

US\$INR Mar futures contract (NSE)

| | |
|---|-------------------------|
| Buy US\$INR in the range of 73.20-73.22 | Market Lot: US\$1000 |
| Target: 73.50/ 73.70 | Stop Loss: 73.05 |
| Support: 72.95/72.80 | Resistance: 73.50/73.90 |

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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