

March 10, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	March futures	Buy	73.11	73.35	72.99	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Nandish Patel
nandish.patel@icicisecurities.com

INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	72.92	73.25	-0.33
EUR-INR	86.83	87.04	-0.21
GBP-INR	101.24	101.31	-0.07
JPY-INR (Future)	67.70	67.75	-0.05

- Despite the Dollar index remaining at elevated levels, the rupee managed to appreciate 33 paise on the back of a sharp recovery in domestic equities
- The Dollar index continued to trade above 92 levels even though US yields weighed on the dollar and dragged it lower. If it manages to hold above this level than it is likely to make a new three-month high

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.21	6.22	-0.27
India 2 Year	4.80	4.74	1.22
US 10 Year	1.53	1.57	-2.49
US 2 Year	0.16	0.16	-1.23
Germany 10 Year	-0.33	-0.28	17.50

- The Nifty continued to remain sluggish during most of the session. However, in the last hour buying emerged in IT and private banking stocks, which helped it to close near the day's high. According to option data, 15000 Put saw substantial OI addition, which should provide support in case of a fall
- Post a positive start, the Bank Nifty traded in a range. During the day, select private bank saw healthy buying, which helped the Bank Nifty to outperform broader indices. According to option data, 36000 Call option saw unwinding. On the other hand, 35500 Put saw substantial addition, which should provide support in case of a fall

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	6171	7373	-1202
Debt	84	1340	-1256
Net			-2458

- Foreign institutional investors (FII) remained net sellers to the tune of ₹ 2458 crore on March 8, 2021. They sold worth ₹ 1202 crore in the equity market and sold worth ₹ 1256 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnge (%)	OI	Vol	(%) change	
					OI	Vol
Mar	73.14	-0.34	2465709	2543611	-1.36	1.71
Apr	73.54	-0.34	970256	419911	-0.84	1.51
Mar-Apr	0.40	-	-	2123700	-	

- As a sharp reversal was seen in domestic equities in the second half, the rupee recovered, appreciating further. Call writers are becoming active in OTM strikes but as the dollar index remained above 92 levels we feel the rupee could consolidate
- The dollar-rupee March contract on the NSE was at ₹ 73.14 in the last session. The open interest fell by 1.4% for the March series

Pivot levels

US\$INR (Mar)	72.70	72.94	73.24	73.48	73.78
US\$INR (Apr)	72.80	73.05	73.35	73.60	73.90
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 73.10-73.12

Market Lot: US\$1000

Target: 73.25/ 73.35

Stop Loss: 72.99

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.



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Raj Deepak Singh BE, MBA (Finance), Nandish Patel BCOM, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Limited. The author may be holding a position in currency derivatives as on date of release of this report. ICICI Securities Limited may be holding a proprietary position in currency derivatives as on the date of release of this report." This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. ICICI Securities Ltd and affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities Ltd and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.