

March 12, 2021

# Daily Currency outlook

## Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	March futures	Sell	73.15	72.90	73.25	1 day

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## INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	72.90	72.92	-0.02
EUR-INR	86.66	86.83	-0.17
GBP-INR	101.12	101.24	-0.12
JPY-INR (Future)	67.26	67.70	-0.44

- The rupee remained largely range bound in the last trading session despite the weakness seen in the Dollar index. With a further recovery expected in domestic equities, we expect the rupee to strengthen from current levels
- The US dollar gained ground this month on growing expectation that the US economy will lead the global recovery in 2021. However, after ECB comments on borrowing cost, it moved towards a one week low

## Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.25	6.21	0.66
India 2 Year	4.80	4.80	-0.10
US 10 Year	1.54	1.53	0.85
US 2 Year	0.14	0.16	-11.18
Germany 10 Year	-0.33	-0.33	1.52

- The market remained lacklustre and ended with gain of 0.5%. Sectorally, action was seen in pharma, technology and metal stocks whereas profit taking was seen in banking and auto stocks. Further up move can be expected if the Nifty sustains above the Call base of 15200 due to short covering
- The Bank Nifty opened higher but thereafter remained muted for the day as it underperformed the broader indices. Both private as well as PSU banks saw profit booking from higher levels. According to option data, 36000 Call and Put option have noteworthy OI addition, which indicates it should trade in a range

## FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	11110	8439	2671
Debt	184	1473	-1289
Net			1382

- Foreign institutional investors (FII) remained net buyer to the tune of ₹ 1382 crore on March 9, 2021. They bought worth ₹ 2671 crore in the equity market and sold worth ₹ 1289 crore in the debt market

## US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Mar	73.14	0.00	2478406	2182802	0.51	-14.18
Apr	73.53	-0.01	979430	308853	0.95	-26.45
Mar-Apr	0.39	-	-	1873949	-	-

- The Dollar index declined from its three months high coupled with some cool-off in bonds that are likely to help the rupee to appreciate against the dollar in the near term. In such a scenario, levels around 73.10-73.20 can be utilised to create short positions in the currency pair
- The dollar-rupee March contract on the NSE was at ₹ 73.14 in the last session. The open interest remained almost unchanged for the March series

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	72.86	73.00	73.14	73.27	73.41
US\$INR (Apr)	73.27	73.40	73.53	73.66	73.79
EURINR (Mar)	86.73	86.88	86.99	87.14	87.25
EURINR (Apr)	87.28	87.41	87.51	87.65	87.74
GBPINR (Mar)	101.11	101.31	101.51	101.72	101.91
GBPINR (Apr)	101.60	101.82	102.01	102.24	102.43
JPYINR (Mar)	67.04	67.15	67.26	67.37	67.48
JPYINR (Apr)	67.39	67.51	67.65	67.78	67.92

## US\$INR Strategy

### US\$INR Mar futures contract (NSE)

Sell US\$INR in the range of 73.13-73.17	Market Lot: US\$1000
Target: 72.90/ 72.80	Stop Loss: 73.25
Support: 72.90/72.80	Resistance: 73.25/73.40

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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