

March 23, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	March futures	Sell	72.48	72.30	72.62	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	72.37	72.51	-0.14
EUR-INR	86.37	86.11	0.26
GBP-INR	100.63	100.31	0.32
JPY-INR (Future)	66.70	66.73	-0.03

- The rupee continue to find strength and moved to its highest level in almost a month on continued foreign inflows into domestic equities. US\$INR pair has outperformed rest of the Asian peers in the recent leg
- The greenback was broadly lower amid a rally in the US Treasury market ahead of US data and a series of Fed speakers including Jerome Powell. However, there is possibility of the Dollar index moving towards 92.50 till it holds above 91.60 levels.

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.18	6.19	-0.21
India 2 Year	4.64	4.70	-1.28
US 10 Year	1.67	1.68	-0.71
US 2 Year	0.15	0.15	0.00
Germany 10 Year	-0.31	-0.29	7.29

- The Nifty had a volatile day but ended the day almost flat as defensive sectors IT, FMCG and pharma along with metals helped the index to recover from lower levels. On the other hand, banking and financials stocks remained under pressure
- The Bank Nifty continued to underperform the Nifty as it ended in the red with a loss of more than 2.5%. Heavyweights continued to remain laggards as selling pressure was more intense in private banks compared to PSU counterparts

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	23246	22640	606
Debt	614	924	-310
Net			296

- Foreign institutional investors (FII) remained net buyer to the tune of ₹ 296 crore on March 19. They bought worth ₹ 606 crore in the equity market and sold worth ₹ 310 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(%) change	
					OI	Vol
Mar	72.44	-0.20	2779839	63465	13.64	-96.22
Apr	72.86	-0.19	1269516	13528	11.35	-97.21
Mar-Apr	0.42	-	-	49937	-	-

- US\$INR pair continued to appreciate as the dollar index failed to sustain above 92 levels. Moreover, some cool-off in US yields provided cushion to the US\$INR pair, which gained further strength amid continued FII inflows. However, a rise should be used to create fresh shorts
- The dollar-rupee March contract on the NSE was at ₹ 72.44 in the last session. The open interest increased by almost 13.5% for the March series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	72.40	72.42	72.43	72.45	72.46
US\$INR (Apr)	72.66	72.76	72.89	72.99	73.13
EURINR (Mar)	86.41	86.44	86.46	86.48	86.50
EURINR (Apr)	86.89	86.94	87.02	87.08	87.16
GBPINR (Mar)	100.17	100.25	100.36	100.45	100.56
GBPINR (Apr)	100.74	100.81	100.89	100.96	101.04
JPYINR (Mar)	66.62	66.65	66.68	66.70	66.73
JPYINR (Apr)	66.97	67.03	67.13	67.19	67.29

US\$INR Strategy

US\$INR Mar futures contract (NSE)

Sell US\$INR in the range of 72.46-72.50

Market Lot: US\$1000

Target: 72.30/ 72.20

Stop Loss: 72.62

Support: 72.30/72.20

Resistance: 72.60/73.70

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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