

March 25, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	March futures	Buy	72.65	72.85	72.50	1 day

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INR Pairs

Currency	Close	Pvs. Close	% Change
US\$-INR	72.56	72.42	0.14
EUR-INR	85.88	86.07	-0.19
GBP-INR	99.60	100.00	-0.40
JPY-INR (Future)	67.11	66.76	0.35

- The rupee depreciated by another 14 paise amid continued sell-off seen in domestic equities and strength seen in dollar index as risk on rally observed some cool-off.
- The U.S. Dollar hit fresh highs for 2020 on Wednesday as concerns over a third COVID-19 wave in Europe, potential U.S. tax hikes and escalating tensions between the West and China helped it to move higher. The news is offsetting a dip in U.S. Treasury yields.

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.15	6.14	0.16
India 2 Year	4.60	4.59	0.35
US 10 Year	1.63	1.61	1.49
US 2 Year	0.15	0.15	0.67
Germany 10 Year	-0.36	-0.35	1.14

- The Nifty opened lower and saw continued selling pressure throughout the session. Except Pharma all the sectorial indices closed in deep red indicating broad based weakness. Aggressive Call writing was seen at ATM and OTM strikes which suggests that upside might be capped in the near term.
- The Bank Nifty continue to remain pain point for the market, as it again succumbed to the selling pressure and closed in red with loss of about 2.50%. Selling pressure was seen in both Private and PSU counterpart.

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	7812	7841	-29
Debt	856	675	181
Net			152

- Foreign institutional investors (FII) remained net buyer to the tune of ₹ 152 crore on March 23. They sold worth ₹ 29 crore in the equity market and bought worth ₹ 181 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Mar	72.69	0.20	2598016	1875882	-7.29	-0.29
Apr	73.15	0.24	1809176	1175712	12.14	0.12
Mar-Apr	0.47	-	-	700170	-	-

- The U.S. Dollar hit fresh highs for 2020 on Wednesday as concerns over a third COVID-19 wave in Europe, potential U.S. tax hikes and escalating tensions between the West and China helped it to move higher. The news is offsetting a dip in U.S. Treasury yields.
- The dollar-rupee March contract on the NSE was at ₹ 72.69 in the last session. The open interest declined by almost 7.3% for the March series while it increased by more than 12% in April series.

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	72.50	72.59	72.69	72.79	72.89
US\$INR (Apr)	72.93	73.04	73.14	73.25	73.36
EURINR (Mar)	85.84	85.96	86.11	86.23	86.38
EURINR (Apr)	86.47	86.58	86.71	86.81	86.95
GBPINR (Mar)	99.39	99.57	99.74	99.92	100.09
GBPINR (Apr)	99.99	100.16	100.33	100.50	100.67
JPYINR (Mar)	66.70	66.81	66.96	67.07	67.22
JPYINR (Apr)	67.15	67.25	67.40	67.50	67.64

US\$INR Strategy

US\$INR Mar futures contract (NSE)

Buy US\$INR in the range of 72.63-72.67	Market Lot: US\$1000
Target: 72.85/ 72.95	Stop Loss: 72.50
Support: 72.50/72.35	Resistance: 72.90/73.00

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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