

April 6, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	April futures	Buy	73.42	73.68	73.30	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Nandish Patel
nandish.patel@icicisecurities.com

INR Pairs

Currency	Close	Pvs. Close	% Change
US\$-INR	73.29	73.10	0.19
EUR-INR	86.17	86.27	-0.10
GBP-INR	101.61	101.43	0.18
JPY-INR (Future)	66.60	66.45	0.14

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.13	6.15	-0.28
India 2 Year	4.58	4.60	-0.28
US 10 Year	1.73	1.76	-1.70
US 2 Year	0.19	0.15	22.37
Germany 10 Year	-0.33	-0.27	23.68

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	10162	9387	774
Debt	336	368	-31
Net			743

- The rupee started weakening once again and traded above 73 levels as fresh imposition of a lockdown in key states put pressure on the currency. The weakness in equities also triggered further depreciation
- The RBI policy on Wednesday will be closely watched despite the very low probability of any change in policy rates. However, inflation trajectory and stance of the central bank will be crucial

- The Nifty opened lower as fresh lockdowns were imposed in some key states. Sectorally, banking, financial and auto continued to slide lower while IT and metals provided much needed support to the index. According to options data, 14800 Call option has substantial OI, which should act as immediate resistance
- Banking stocks continued to remain fragile as they opened lower and slid even further extending weakness. Both private and PSU banks succumbed to selling pressure and closed deep in the red. Aggressive writing was seen in ATM and OTM Call strikes

- Foreign institutional investors (FII) turned net buyers to the tune of ₹ 774 crore on March 31. They bought worth ₹ 774 crore in the equity market and sold worth ₹ 31 crore in the debt market. Data for April 1 is unavailable due to the banking holiday

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Apr	73.55	0.18	3181862	2180660	-5.31	-42.54
May	73.82	0.17	1009629	461468	-17.95	47.57
Apr-May	0.27	-	-	1719192	-	-

- As the Dollar index has retraced from fresh four-month's high below 93 levels, marginal respite was seen in the domestic currency. However, continued Put writing may keep downsides limited while declines remain a buying opportunity
- The dollar-rupee April contract on the NSE was at ₹ 73.55 in the last session. The open interest declined almost 5.3% for the April series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	73.35	73.45	73.57	73.67	73.80
US\$INR (May)	73.58	73.70	73.83	73.95	74.08
EURINR (Apr)	86.19	86.35	86.54	86.69	86.88
EURINR (May)	86.46	86.63	86.84	87.01	87.22
GBPINR (Apr)	101.52	101.73	101.86	102.07	102.20
GBPINR (May)	101.57	101.91	102.13	102.47	102.70
JPYINR (Apr)	66.44	66.52	66.60	66.68	66.76
JPYINR (May)	66.58	66.72	66.88	67.03	67.19

US\$INR Strategy

US\$INR Apr futures contract (NSE)

Buy US\$INR in the range of 73.40-73.44

Market Lot: US\$1000

Target: 73.68/ 73.75

Stop Loss: 73.30

Support: 73.30/73.10

Resistance: 73.75/73.95

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

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