

April 8, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	April futures	Buy	74.57	74.98	74.40	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	74.55	73.43	1.12
EUR-INR	88.55	86.73	1.82
GBP-INR	102.46	101.64	0.82
JPY-INR (Future)	67.90	66.75	1.15

- The rupee tumbled to the lowest level in more than four months despite a decent recovery in equities
- The rupee fell around 1.2% to 74.55 per dollar, the weakest since mid November 2020. The central bank said on Wednesday it will buy ₹ 1 trillion (\$14 billion) of bonds in the secondary market this quarter, in addition to its existing liquidity operations

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.08	6.12	-0.65
India 2 Year	4.55	4.52	0.69
US 10 Year	1.65	1.69	-2.25
US 2 Year	0.15	0.17	-11.76
Germany 10 Year	-0.32	-0.31	-4.25

- The Nifty opened higher and stayed positive throughout the session. All sectoral indices closed in the green indicating broad based movement
- The Bank Nifty opened higher and strengthened further post RBI policy announcement. With participation from both private and PSU banks, it closed with gains of 1.3% but a tad below 33000

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	5017	5889	-872
Debt	609	1485	-876
Net			-1748

- Foreign institutional investors (FII) turned net seller to the tune of ₹ 1748 crore on April 6. They sold worth ₹ 872 crore in the equity market and worth ₹ 876 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Apr	74.55	1.19	3641606	5075454	15.23	187.61
May	74.80	1.19	1076532	735581	9.47	251.55
Apr-May	0.25	-	-	4339873	-	-

- The rupee plunged to a four month low due to primary liquidity infusion via bond and rising Covid-19 cases that have created uncertainty. This may imply tapered money growth, which suggests this will put depreciation pressure on the rupee
- The dollar-rupee April contract on the NSE was at ₹ 74.55 in the last session. The open interest increased 15% for the April series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	72.99	73.79	74.28	75.08	75.58
US\$INR (May)	73.47	74.15	74.59	75.27	75.71
EURINR (Apr)	86.48	87.57	88.18	89.27	89.89
EURINR (May)	86.65	87.79	88.54	89.67	90.42
GBPINR (Apr)	101.23	102.10	102.66	103.53	104.09
GBPINR (May)	101.54	102.39	102.94	103.79	104.34
JPYINR (Apr)	66.67	67.30	67.69	68.32	68.71
JPYINR (May)	66.93	67.55	67.94	68.56	68.95

US\$INR Strategy

US\$INR Apr futures contract (NSE)

Buy US\$INR in the range of 74.55-74.60	Market Lot: US\$1000
Target: 74.98/ 75.15	Stop Loss: 74.40
Support: 74.40/74.20	Resistance: 74.98/75.15

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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