

April 23, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	April futures	Buy	75.03	75.40	74.85	1 day

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INR Pairs

Currency	Close	Pvs. Close	% Change
US\$-INR	74.95	74.88	0.07
EUR-INR	90.26	90.74	-0.48
GBP-INR	103.94	105.10	-1.16
JPY-INR (Future)	69.45	68.59	0.86

- The rupee depreciated further but closed a tad below 75 levels amid continued outflows from equities as rising numbers of Covid-19 cases threatened the expected economic recovery
- The dollar managed to regain some composure after bottoming out at sub-91.00 levels earlier in the week, amid renewed soft note in US yields and expectations of increased tax on US corporates

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.05	6.07	-0.40
India 2 Year	4.53	4.60	-1.56
US 10 Year	1.55	1.57	-1.27
US 2 Year	0.15	0.15	0.00
Germany 10 Year	-0.26	-0.26	-0.27

- The Nifty opened lower but recovered sharply from lower levels. It closed near the day's high of 14400. Significant volatility in the market has triggered closure among both Call, Put strikes last week. However, we expect the Nifty to find a hurdle near its series VWAP of 14600
- The Bank Nifty outperformed broader indices and lent much needed support to the Nifty to recover from lower levels. In banking, private sector banks outperformed PSU banks. As per options data, 32000 Call option has meaningful OI, which should act as immediate resistance

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	9047	9774	-727
Debt	799	1412	-613
Net			-1340

- Foreign institutional investors (FII) turned net seller to the tune of ₹ 1340 crore on April 20. They sold worth ₹ 727 crore in the equity market and sold worth ₹ 613 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Apr	75.06	-0.11	3004465	2868365	3.35	-16.90
May	75.35	-0.09	1588882	623548	6.91	10.15
Apr-May	0.29	-	-	2244817	-	

- The rupee has so far significantly underperformed its Asian peers and remained under pressure despite a weakening dollar. With the dollar expected to find fresh strength due to expected rise in corporate taxes, we expect the depreciation trend in the rupee to continue towards 76 levels
- The dollar-rupee April contract on the NSE was at ₹ 75.06 in the last session. The open interest rose 3% for the April series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	74.54	74.81	75.14	75.40	75.73
US\$INR (May)	74.82	75.09	75.44	75.71	76.06
EURINR (Apr)	89.83	90.14	90.48	90.79	91.13
EURINR (May)	90.24	90.53	90.85	91.14	91.45
GBPINR (Apr)	103.62	104.00	104.57	104.95	105.53
GBPINR (May)	104.06	104.42	104.96	105.32	105.85
JPYINR (Apr)	69.09	69.29	69.57	69.77	70.04
JPYINR (May)	69.35	69.55	69.83	70.03	70.30

US\$INR Strategy

US\$INR Apr futures contract (NSE)

Buy US\$INR in the range of 75.00-75.05	Market Lot: US\$1000
Target: 75.45/ 75.70	Stop Loss: 74.85
Support: 75.00/74.40	Resistance: 75.50/75.75

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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