

May 4, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	May futures	Buy	74.15	74.50	74.00	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	73.92	74.04	-0.12
EUR-INR	89.13	89.75	-0.62
GBP-INR	102.81	103.35	-0.54
JPY-INR (Future)	67.92	69.16	-1.24

- The rupee appreciated marginally and moved further around 74 levels. The current levels of the rupee are the highest seen in almost a month
- A recovery was seen in the Dollar index from lower levels, which was supported by better than estimated economic data and forecast that the US would do better than its peers

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.00	6.03	-0.48
India 2 Year	4.37	4.46	-2.06
US 10 Year	1.60	1.63	-1.60
US 2 Year	0.16	0.16	-1.17
Germany 10 Year	-0.21	-0.21	0.00

- The Nifty opened lower but recovery was seen from select heavyweight stocks, which helped the Nifty to close almost flat. Advance/decline ratio was in favour of Bulls. As per options data, the Nifty will continue to face resistance at higher levels as 14800 and 14900 Call option has substantial OI addition
- The Bank Nifty opened gap down and failed to fill that gap as it closed with a loss of more than 0.72%. Looking at options data, we see that 33000 Call option has noteworthy OI addition that should cap upside gains

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	8511	11662	-3151
Debt	664	1569	-905
Net			-4056

- Foreign institutional investors (FII) turned net seller to the tune of ₹ 4056 crore on April 30. They sold worth ₹ 3151 crore in the equity market and sold worth ₹ 905 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
May	74.33	-0.08	2804689	2377548	1.88	-2.30
June	74.70	-0.04	652145	451982	19.50	51.82
MAY-June	0.37	-	-	1925566	-	

- The US\$INR has remained around its highest Put base of 74 strike. However, the Dollar Index reverted from 90.5 levels once again. This suggests the Put base at 74 strike is likely to remain a major level for the rupee in the near term
- The dollar-rupee April contract on the NSE was at ₹ 74.33 in the last session. The open interest rose 2% for the May series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	74.07	74.20	74.44	74.58	74.82
US\$INR (June)	74.46	74.58	74.81	74.93	75.16
EURINR (May)	89.41	89.53	89.69	89.80	89.97
EURINR (June)	89.86	89.98	90.14	90.27	90.42
GBPINR (May)	102.80	102.97	103.12	103.29	103.44
GBPINR (June)	103.21	103.41	103.59	103.79	103.97
JPYINR (May)	67.71	67.83	68.00	68.11	68.28
JPYINR (June)	68.06	68.17	68.32	68.43	68.58

US\$INR Strategy

US\$INR May futures contract (NSE)

Buy US\$INR in the range of 74.13-74.17	Market Lot: US\$1000
Target: 74.50/ 74.60	Stop Loss: 74.00
Support: 74.00/74.10	Resistance: 74.60/75.00

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 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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