

May 5, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	May futures	Buy	74.20	74.55	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	73.85	73.92	-0.07
EUR-INR	88.69	89.13	-0.44
GBP-INR	102.37	102.81	-0.44
JPY-INR (Future)	67.88	67.92	-0.04

- The rupee appreciated marginally and ended at 73.85 levels due to lack of dollar buying interest. However, underperformance was seen with rest of the pairs and rupee appreciating against the Euro and GBP
- The dollar hit a two-week high on Tuesday, as risk appetite faded amid a sell-off in stocks, with US Treasury Secretary Janet Yellen's comments on interest rates needing to rise to prevent the American economy from overheating also supporting the greenback

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.02	6.00	0.23
India 2 Year	4.40	4.37	0.71
US 10 Year	1.59	1.60	-0.62
US 2 Year	0.16	0.16	0.06
Germany 10 Year	-0.24	-0.21	-15.05

- On Tuesday, the Nifty opened higher but was unable to sustain at higher levels and closed with a loss of more than 0.92%. According to option data, healthy Call writing was seen across multiple strikes, which indicates that on the higher levels it would continue to face resistance
- The Bank Nifty had a mixed session where it opened higher but during the second half witnessed sharp sell-off. In the banking space, healthy buying was seen in PSU banks. They may outperform in the coming session

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	5545	7215	-1670
Debt	774	736	38
Net			-1632

- Foreign institutional investors (FII) turned net seller to the tune of ₹ 1632 crore on May 3. They sold worth ₹ 1670 crore in the equity market and bought worth ₹ 38 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
May	74.25	-0.11	2818220	2080010	0.48	-12.51
June	74.63	-0.09	756892	448020	16.06	-0.88
MAy-June	0.38	-	-	1631990	-	

- The rupee remained above the Put base of 74 as the Dollar index is hovering near support of 90 levels. We expect upsides to be seen in the US\$INR pair. It is likely to move towards 74.50 levels in coming days
- The dollar-rupee April contract on the NSE was at ₹ 74.25 in the last session. The open interest rose 0.5% for the May series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	74.08	74.16	74.31	74.39	74.54
US\$INR (June)	74.47	74.55	74.69	74.77	74.91
EURINR (May)	88.89	89.06	89.35	89.52	89.81
EURINR (June)	89.40	89.56	89.83	89.99	90.26
GBPINR (May)	102.80	102.91	103.12	103.23	103.44
GBPINR (June)	103.26	103.38	103.60	103.72	103.94
JPYINR (May)	67.69	67.79	67.95	68.05	68.21
JPYINR (June)	68.03	68.13	68.29	68.39	68.55

US\$INR Strategy

US\$INR May futures contract (NSE)

Buy US\$INR in the range of 74.18-74.22	Market Lot: US\$1000
Target: 74.55/ 74.65	Stop Loss: 74.00
Support: 74.00/74.20	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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