

May 12, 2021

# Daily Currency outlook

## Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	May futures	Buy	73.51	73.80	73.35	1 day

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## INR Pairs

Currency	Close	Pvs. Close	% Change
US\$-INR	73.34	73.35	-0.01
EUR-INR	89.32	89.27	0.05
GBP-INR	193.87	103.78	90.09
JPY-INR (Future)	67.41	67.46	-0.05

## Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.01	6.01	-0.10
India 2 Year	4.43	4.54	-2.43
US 10 Year	1.63	1.59	2.26
US 2 Year	0.16	0.15	6.82
Germany 10 Year	-0.58	-0.21	-179.13

## FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	6806	5637	1169
Debt	571	589	-17
Net			1151

- Due to a sharp sell-off in domestic equities and extension of restriction in few states, the rupee paused its upward trend and ended flat for the day
- The Dollar index further fell marginally and remained at a fresh two and a half month low as inflation concerns weighed on the dollar ahead of US consumer price data

- The Nifty opened lower. During the day, it tried to recover from lower levels but faced resistance at higher levels as it closed with a loss of more than 0.60%. Looking at option data, the Nifty is likely to face resistance at higher levels as substantial Call writing was seen at 15000 and 15100 strike
- On Tuesday, the Bank Nifty opened lower on the back of weak global clue and remained lower as it closed with a loss of more than 0.80%. In the banking space, healthy buying was seen in PSU banks while private banks remained under pressure

- Foreign institutional investors (FII) turned net buyers to the tune of ₹ 1189 crore on May 10. They bought worth ₹ 1151 crore in the equity market and sold worth ₹ 17 crore in the debt market

## US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
May	73.54	-0.01	2537613	1621425	1.58	-14.95
June	73.92	0.01	960728	296059	3.58	-43.69
May-June	0.38	-	-	1325366	-	

- A sell-off in the Dollar index and weakness in domestic equities pushed the rupee to remain flat for the day. However, writing activity increasing in US\$INR Puts, we feel a bounce towards 74 levels cannot be ruled out
- The dollar-rupee April contract on the NSE was at ₹ 73.54 in the last session. The open interest rose almost 1.5% for the May series

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	73.37	73.46	73.57	73.66	73.77
US\$INR (June)	73.72	73.81	73.93	74.02	74.14
EURINR (May)	88.95	89.11	89.34	89.50	89.73
EURINR (June)	89.62	89.79	89.91	90.08	90.21
GBPINR (May)	102.37	102.95	103.29	103.87	104.20
GBPINR (June)	103.11	103.66	103.95	104.50	104.79
JPYINR (May)	67.32	67.44	67.61	67.72	67.89
JPYINR (June)	67.65	67.77	67.93	68.05	68.21

## US\$INR Strategy

### US\$INR May futures contract (NSE)

Buy US\$INR in the range of 73.48-73.51

Market Lot: US\$1000

Target: 73.70/ 73.80

Stop Loss: 73.35

Support: 73.50/73.30

Resistance: 73.85/74.00

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.



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