

May 17, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	May futures	Sell	73.45	73.15	73.61	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	73.28	73.42	-0.14
EUR-INR	88.86	88.78	0.08
GBP-INR	103.18	103.63	-0.45
JPY-INR (Future)	67.20	67.73	-0.53

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.99	6.01	-0.37
India 2 Year	4.50	4.43	1.72
US 10 Year	1.64	1.63	0.37
US 2 Year	0.15	0.16	-8.48
Germany 10 Year	-0.13	-0.13	-4.05

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	5276	6450	-1174
Debt	540	92	448
Net			-726

- The rupee strengthened further and gained almost 15 paise despite weakening domestic equities and renewed state lockdowns. Sustainability below 73.30 may bring further strength to the currency pair
- The US dollar was under pressure on Friday after a report that US retail sales unexpectedly stalled in April and as fears of accelerating inflation receded

- On Friday, the Nifty witnessed a volatile session where it managed to close almost flat. Sectorally, FMCG stocks witnessed healthy buying and helped the index to recover from lower levels
- The Bank Nifty continued to slip lower for a third consecutive trading session as it closed with a loss of more than 0.75%. Both private as well as PSU banks witnessed selling pressure. According to options data, healthy Call writing was seen at higher strikes, which indicates that upside would be limited

- Foreign institutional investors (FII) turned net seller to the tune of ₹ 726 crore on May 12. They sold worth ₹ 1174 crore in the equity market and bought worth ₹ 448 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
May	73.45	-0.20	2603365	1508661	1.69	13.82
June	73.83	-0.20	1039155	295396	1.98	5.27
May-June	0.38	-	-	1213265	-	

- Friday's drop erases some of a two day rally in the US dollar after data on Wednesday showed US consumer prices increased after nearly 12 years. With the US dollar sustaining below 90.5, we feel the rupee is likely to appreciate towards 73 levels
- The dollar-rupee May contract on the NSE was at ₹ 73.45 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)	73.22	73.34	73.47	73.59	73.72
US\$INR (June)	73.59	73.71	73.86	73.98	74.13
EURINR (May)	88.75	88.87	88.96	89.08	89.17
EURINR (June)	89.17	89.32	89.49	89.64	89.81
GBPINR (May)	103.07	103.24	103.34	103.51	103.61
GBPINR (June)	103.41	103.65	103.90	104.14	104.39
JPYINR (May)	67.04	67.12	67.19	67.27	67.34
JPYINR (June)	67.37	67.45	67.58	67.66	67.79

US\$INR Strategy

US\$INR May futures contract (NSE)

Sell US\$INR in the range of 73.43-73.47	Market Lot: US\$1000
Target: 73.15/ 73.00	Stop Loss: 73.61
Support: 73.15/73.00	Resistance: 73.50/73.60

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, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

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