

May 28, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	June futures	Buy	72.81	73.00	72.70	1 day

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INR Pairs

Currency	Close	Pvs. Close	% Change
US\$-INR	72.59	72.77	-0.18
EUR-INR	88.48	89.05	-0.57
GBP-INR	102.92	102.78	0.14
JPY-INR (Future)	66.88	66.88	0.00

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.99	5.97	0.25
India 2 Year	4.30	4.29	0.12
US 10 Year	1.61	1.56	3.40
US 2 Year	0.15	0.15	2.20
Germany 10 Year	-0.18	-0.18	-1.14

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	8511	11662	-3151
Debt	665	1570	-905
Net			-4056

- The rupee continues to appreciate on the back of domestic equities higher for one more session. It ended at 72.59 levels
- The US dollar is crawling higher against a basket of currencies. The US economy grew at a robust annual rate of 6.4% in the first three months of this year

- The Nifty opened higher and witnessed all-time highest closing as it closed with a gain of more than 0.24%. Broader market continues to outperform as both midcap and small cap closed with healthy gains. As per options data, 15200 and 15300 Put option has healthy OI, which should act as support on downside
- The Bank Nifty witnessed a very volatile session where last hour buying helped it close near the day's high with a gain of more than 1.18%

- Foreign institutional investors (FII) turned net sellers to the tune of ₹ 4056 crore on May 24. They bought worth ₹ 3151 crore in the equity market and sold worth ₹ 905 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
June	72.89	-0.38	2083726	2764314	7.06	42.34
July	73.25	-0.37	1445278	117582	-16.17	-90.16
June-July	0.36	-	-	2646732	-	

- The positive sentiment in the domestic currency is influenced by a rally in domestic markets. However, the Dollar index is hovering near support of 89-90 levels. We expect US\$INR pair to retrace towards 73 levels
- The dollar-rupee June contract on the NSE was at ₹ 72.89 in the last session. The open interest rose almost 7% for the June series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	72.64	72.77	72.96	73.09	73.28
US\$INR (July)	73.02	73.13	73.31	73.42	73.60
EURINR (June)	88.19	88.59	88.90	89.30	89.61
EURINR (July)	89.06	89.28	89.54	89.76	90.02
GBPINR (June)	102.37	102.84	103.31	103.78	104.25
GBPINR (July)	102.64	103.18	103.89	104.43	105.14
JPYINR (June)	66.55	66.69	66.90	67.04	67.25
JPYINR (July)	66.93	67.06	67.25	67.38	67.57

US\$INR Strategy

US\$INR June futures contract (NSE)

Buy US\$INR in the range of 72.80-72.82	Market Lot: US\$1000
Target: 73.00/ 73.10	Stop Loss: 72.70
Support: 72.75/72.50	Resistance: 73.00/73.20

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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ANALYST CERTIFICATION

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