

June 4, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	June futures	Buy	73.05	73.40	72.90	1 day

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INR Pairs

Currency	Close	Pvs. Close	% Change
US\$-INR	72.91	73.08	-0.17
EUR-INR	88.53	89.11	-0.58
GBP-INR	102.98	103.45	-0.47
JPY-INR (Future)	66.30	66.35	-0.05

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.00	6.01	-0.13
India 2 Year	4.33	4.33	-0.09
US 10 Year	1.63	1.59	2.52
US 2 Year	0.16	0.15	10.36
Germany 10 Year	-0.18	-0.20	7.12

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	11635	10542	1092
Debt	416	758	-342
Net			750

- After three days of depreciation, the rupee managed to gain 17 paise and ended near 72.91 levels. Positive domestic equities help the rupee to turn positive
- The dollar index rallied sharply and moved to two and a half month high as a slump in US stocks fuelled some liquidity demand. The dollar extended its gains on hawkish Fed comments and Thursday's better-than-expected US economic data
- The Nifty opened higher and closed at all-time high with a gain of more 0.61%. All major sectoral indices, except pharma, closed in the green
- The Bank Nifty continued its uptrend and closed with a gain of more than 0.70%. Healthy buying was seen banking heavyweights like HDFC Bank, Kotak Mahindra Bank and Axis Bank. Looking at options data, 35500 Put option has sizeable OI addition, which should act as support on downside
- Foreign institutional investors (FII) turned net buyer to the tune of ₹ 750 crore on June 02. They bought worth ₹ 1092 crore in the equity market and sold worth ₹ 342 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(%) change	
					OI	Vol
June	73.11	-0.38	2567079	3168133	1.05	20.08
July	73.25	-0.60	329674	187779	0.00	0.26
June-July	0.14	-	-	2980354	-	

- After appreciating almost 17 paise, US\$INR moved towards its support of 73. As the Dollar index fell sharply, we feel the rupee should move towards 73.5 levels
- The dollar-rupee June contract on the NSE was at ₹ 73.11 in the last session. The open interest rose 1.6% for the June series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	72.95	73.17	73.37	73.59	73.79
US\$INR (July)	73.28	73.49	73.68	73.89	74.09
EURINR (June)	88.84	89.04	89.44	89.64	90.03
EURINR (July)	89.31	89.52	89.89	90.10	90.47
GBPINR (June)	102.97	103.15	103.45	103.63	103.92
GBPINR (July)	103.60	103.70	103.80	103.90	104.01
JPYINR (June)	66.54	66.68	66.87	67.01	67.21
JPYINR (July)	66.83	66.97	67.16	67.30	67.49

US\$INR Strategy

US\$INR June futures contract (NSE)

Buy US\$INR in the range of 73.04-73.07	Market Lot: US\$1000
Target: 73.20/ 73.40	Stop Loss: 72.90
Support: 72.90/73.10	Resistance: 73.40/73.70

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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