

June 22, 2021

# Daily Currency outlook

## Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	June futures	Buy	74.05	74.35	73.89	1 day

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## INR Pairs

Currency	Close	Pvs. Close	% Change
US\$-INR	74.10	73.86	0.24
EUR-INR	88.36	87.88	0.48
GBP-INR	103.22	102.30	0.92
JPY-INR (Future)	67.03	67.15	-0.12

- Weakness in the rupee continued as it depreciated and closed above 74 levels. However, positive domestic equities would limit downsides
- As US stocks rebounded sharply, the Dollar index fell marginally. However, it continued to sustain near crucial level of 92. Weakness in Euro should continue, which would provide cushion to the Dollar index

## Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.02	6.01	0.28
India 2 Year	4.43	4.38	1.12
US 10 Year	1.48	1.44	2.22
US 2 Year	0.26	0.25	2.46
Germany 10 Year	-0.17	-0.20	13.25

- The Nifty witnessed a very volatile day where it reversed from lower levels and closed with a gain of 0.30%. All major sectoral indices closed in the green except auto and IT. Looking at options data, 15600 Put option witnessed significant OI addition, which should act as support
- On Monday, the Bank Nifty opened lower but managed to recover strongly from lower levels and closed with a gain 0.91%. PSU banks witnessed healthy buying and were top gainers

## FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	19268	7681	11588
Debt	132	895	-762
Net			10825

- Foreign institutional investors (FII) turned net sellers to the tune of ₹ 10825 crore on June 18. They bought worth ₹ 11588 crore in the equity market and sold worth ₹ 762 crore in the debt market

## US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
June	74.20	0.25	2194692	3168133	-3.10	-19.11
July	74.44	0.23	811334	187779	6.99	24.92
June-July	0.24	-	-	2980354	-	-

- Despite the sharp up move seen in the Dollar index, the US\$INR appreciated and moved back towards 74 levels. However, we believe the depreciation may continue in the short term. The US\$INR pair should move higher towards 74.50 levels
- The dollar-rupee June contract on the NSE was at ₹ 74.20 in the last session. The open interest declined almost 3% for the June series

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (June)	73.81	73.91	74.09	74.29	74.57
US\$INR (July)	73.95	74.00	74.34	74.54	74.81
EURINR (June)	102.31	102.58	102.99	103.26	103.68
EURINR (July)	102.68	102.94	103.34	103.60	104.00
GBPINR (June)	87.80	88.00	88.28	88.48	88.77
GBPINR (July)	88.16	88.34	88.63	88.81	89.10
JPYINR (June)	66.80	66.98	67.26	67.43	67.71
JPYINR (July)	67.11	67.28	67.51	67.68	67.91

## US\$INR Strategy

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

Buy US\$INR in the range of 74.03-74.07

Market Lot: US\$1000

Target: 74.35/ 74.50

Stop Loss: 73.89

Support: 73.90/73.70

Resistance: 74.35/74.50

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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