

June 28, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	July futures	Buy	74.42	74.70	74.27	1 day

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INR Pairs

Currency	Close	Pvs. Close	% Change
US\$-INR	74.20	74.16	0.04
EUR-INR	88.54	88.50	0.04
GBP-INR	103.12	103.27	-0.15
JPY-INR (Future)	67.04	66.99	0.05

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.02	6.03	-0.12
India 2 Year	4.50	4.49	0.16
US 10 Year	1.48	1.47	1.16
US 2 Year	0.26	0.24	6.34
Germany 10 Year	-0.18	-0.16	-7.90

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	9497	10277	-780
Debt	139	503	-364
Net			-1144

- The rise in equities and last two session's correction in the dollar index pulled the rupee into consolidation mode
- The dollar has remained under some mild downside pressure so far. Last week, investors evaluated the likelihood that the US Federal Reserve will be more aggressive in stamping out high inflation if it persists while the pound weakened after the Bank of England made no changes to its monetary policy

- On Friday, the Nifty opened higher and closed near the upper end of the day with a gain of 0.44%. Sectorally, all major indices closed in the green except FMCG. Looking at the options data, 15700 and 15800 Put option hold sizeable OI, which should act as support in case of a fall
- The Bank Nifty continued its upward move and outperformed the Nifty as it closed with a gain of more than 1.52%. In banking stocks PSU banks outperformed private banks. According to options data, healthy OI addition was seen in Put options, especially from 35000 to 35300 strikes, which should provide support

- Foreign institutional investors (FII) turned net sellers to the tune of ₹ 1144 crore on June 24. They sold worth ₹ 780 crore in the equity market and sold worth ₹ 364 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
July	74.44	0.00	1423745	3168133	28.66	60.61
August	74.70	-0.20	436154	187779	9.04	3.02
June-July	0.26	-	-	2980354	-	-

- The US\$INR continued to trade above 74 levels supported by a recent dollar index upside and rising crude oil prices. As long as the dollar trades above 91.20 level and oil prices remain elevated that may keep the rupee under pressures. The US\$INR pair should move towards 74.6 levels in coming days
- The dollar-rupee June contract on the NSE was at ₹ 74.31 in the last session. The open interest fell 7.1% for the June series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (July)	73.96	74.16	74.31	74.51	74.66
US\$INR (Aug)	74.06	74.33	74.51	74.79	74.97
EURINR (July)	102.83	103.04	103.17	103.39	103.52
EURINR (Aug)	103.14	103.34	103.47	103.67	103.80
GBPINR (July)	87.80	88.00	88.28	88.48	88.77
GBPINR (Aug)	88.16	88.34	88.63	88.81	89.10
JPYINR (July)	66.80	66.98	67.26	67.43	67.71
JPYINR (Aug)	67.11	67.28	67.51	67.68	67.91

US\$INR Strategy

US\$INR July futures contract (NSE)

Buy US\$INR in the range of 74.40-74.44	Market Lot: US\$1000
Target: 74.70/ 74.80	Stop Loss: 74.27
Support: 74.30/74.10	Resistance: 74.70/74.90

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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