

July 29, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	August futures	Sell	74.62	74.30	74.75	1 day

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Rupee Pairs

Currency	Close	Pvs. Close	% Change
US\$-INR	74.38	74.46	-0.08
EUR-INR	87.97	88.15	-0.18
GBP-INR	103.39	103.29	0.10
JPY-INR (Future)	67.70	67.62	0.08

- The rupee continued to appreciate on the back of choppy crude oil prices and buying in equities from lower levels
- The Dollar index moved to a fresh one week low as it failed to surpass its three month's high. Dovish comments from Fed and worsening of the pandemic in the US may lead to tighter restrictions

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.19	6.18	0.16
India 2 Year	4.24	4.23	0.12
US 10 Year	1.23	1.24	-0.88
US 2 Year	0.20	0.21	-2.89
Germany 10 Year	-0.46	-0.45	-2.25

- The Nifty witnessed a volatile day where after facing selling pressure it tried to recover from lower levels during the second half of the day. Looking at option data, we expect the Nifty to face resistance at 15800 and 15900 levels as healthy Call OI continue to hold while on the downside 15500 would act as immediate support
- On Wednesday, the Bank Nifty was under selling pressure as it closed with a loss of more than 0.74%. Both private as well as PSU banks witnessed selling pressure

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	8609	9167	-558
Debt	136	394	-258
Net			-816

- Foreign institutional investors (FII) turned net seller to the tune of ₹ 816 crore on July 27. They sold worth ₹ 558 crore in the equity market and worth ₹ 258 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
August	74.62	-0.13	2087294	3168133	34.00	87.73
September	74.85	0.18	289524	187779	-81.41	-89.81
August-Sept	0.23	-	-	2980354	-	

- The US\$INR faced a hurdle at higher levels as new contract started, OTM Call writing are increasing. We feel a leg towards 74.2 levels should be seen in coming days
- The dollar-rupee August contract on the NSE was at ₹ 74.62 in the last session. The open interest rose almost 34% for the August series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	74.44	74.53	74.63	74.72	74.83
US\$INR (Sep)	74.70	74.77	74.87	74.95	75.05
EURINR (Aug)	87.95	88.05	88.22	88.33	88.50
EURINR (Sep)	88.25	88.35	88.53	88.63	88.81
GBPINR (Aug)	103.39	103.41	103.42	103.44	103.45
GBPINR (Sep)	103.48	103.63	103.82	103.97	104.15
JPYINR (Aug)	67.63	67.73	67.91	68.01	68.19
JPYINR (Sep)	67.90	67.98	68.13	68.21	68.36

US\$INR Strategy

US\$INR August futures contract (NSE)

Sell US\$INR in the range of 74.60-74.64

Market Lot: US\$1000

Target: 74.40/ 74.30

Stop Loss: 74.75

Support: 74.20/74.40

Resistance: 74.90/75.10

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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