

July 14, 2020

# Daily Currency outlook

## Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	July futures	Buy	75.12	75.35	74.95	1 day

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## Spot Currency

Currency	Close	Pvs. Close	% Change
US\$-INR	75.19	75.20	-0.01
EUR-INR	85.38	84.99	0.46
GBP-INR	94.77	94.99	-0.23
JPY-INR (Future)	70.34	70.10	0.34

## Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.79	5.76	0.45
India 2 Year	4.15	4.11	0.97
US 10 Year	0.62	0.64	-2.67
US 2 Year	0.16	0.15	2.65
Germany 10 Year	-0.42	-0.47	-9.25

## FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	2528	3521	-993
Debt	1910	1178	732
Net			-261

Source: Bloomberg, ICICI Direct Research

- Amid high volatility in the domestic market, the rupee ended flat against the US dollar. CPI data would be looked at, going forward, which will provide some volatility

- The Dollar index trimmed losses and tested 96.6 levels in previous session. Focus would remain on the advance of Covid-19 whereas monthly budget statement would also be looked at

- The Nifty lacked trading volumes and remained lacklustre for a major part of the day. Post a positive start, the index witnessed some recovery as buying was witnessed in technology and FMCG stocks but could not raise sustainable gains. The advance: decline ratio marginally remained in favour of bulls

- Post a positive opening, in the first half, intense selling was seen in HDFC Bank, Kotak Mahindra Bank and SBI, which led the index to drift lower near 22000. Then it remained sideways to near the day's low

- Foreign institutional investors (FII) were net seller to the tune of ₹ 261 crore on July 10, 2020. They sold ₹ 993 crore in the equity market and bought ₹ 732 crore in the debt market. FIIs have bought close to ₹ 1964 crore in the July series as of now

## Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% ) change	
					OI	Vol
July	75.30	-0.12	1615080	1182190	-2.50	-21.19
Aug	75.50	-0.13	567198	155202	7.39	-31.05
Jul-Aug	-0.21	-	-	1026988	-	

- The rupee ended almost flat after four days of depreciation. We feel it would remain in a range with 75.5 as a hurdle zone
- The dollar-rupee contract on the NSE was at 75.30 in the last session. The open interest declined 2.5% in the last session

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jul)	74.99	75.19	75.33	75.52	75.66
US\$INR (Aug)	75.30	75.45	75.57	75.72	75.84
EURINR (Jul)	84.42	84.63	84.76	84.98	85.11
EURINR (Aug)	84.71	84.91	85.04	85.24	85.37
GBPINR (Jul)	93.91	94.09	94.25	94.43	94.59
GBPINR (Aug)	94.12	94.33	94.50	94.71	94.88
JPYINR (Jul)	69.58	69.75	69.87	70.04	70.15
JPYINR (Aug)	69.59	69.87	70.04	70.32	70.49

## US\$INR Strategy

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

Buy US\$ in the range of 75.10-75.15	Market Lot: US\$1000
Target: 75.25/ 75.40	Stop Loss: 74.95
Support: 74.90/75.05	Resistance: 75.40/75.50

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 which may have different view.



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I/We, Amit Gupta B.E, MBA (Finance), Raj Deepak Singh BE, MBA (Finance), Nandish Patel BCOM, Dipesh Dedhia BCOM, MBA (Finance), authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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