

October 16, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	October futures	Sell	73.59	73.25	73.71	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	73.38	73.30	0.08
EUR-INR	85.96	85.90	0.06
GBP-INR	94.94	94.85	0.09
JPY-INR (Future)	69.83	69.58	0.25

- After an initial up move, the rupee depreciated sharply and moved lower against the US dollar. Sharp selling in equities along with rising cases of Coronavirus globally triggered panic selling
- The dollar index further gained momentum triggered by risk of sentiments, which pulled the index towards 94 levels. US initial claims rose more than expected by 898,000 week on week

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.90	5.90	-0.08
India 2 Year	4.25	4.27	-0.44
US 10 Year	0.73	0.72	2.51
US 2 Year	0.14	0.14	0.00
Germany 10 Year	-0.61	-0.58	4.83

- The Nifty saw a pause in its upward move and snapped its 10 day winning streak on the back of negative global cues. Profit booking was seen in most heavyweight stocks. On the options front, aggressive writing was seen in 12000 Call strikes
- The Bank Nifty opened higher and swiftly succumbed to a bout of selling following profit taking after the last session's rally was seen in private and PSU banks. IVs rose along with significant OI addition in 24000 and 24500 strike Call indicating limited upside this week

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	7132	5983	1149
Debt	965	969	-4
Net			1145

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 1145 crore on October 14, 2020. They bought worth ₹ 1149 crore in the equity market and sold worth ₹ 4 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Oct	73.51	0.17	1861041	1618625	-1.33	-0.11
Nov	73.70	0.16	301884	157548	1.18	0.01
Oct-Nov	0.19	-	-	1461077	-	0.12

- As there was a risk of sentiment trades, which pushed the dollar index sharply higher, profit booking was seen in the rupee due to which it depreciated. However, we feel the rupee has moved near its supply zone and the spread between spot and future has risen. The rupee could appreciate again and move towards 73.25 levels
- The dollar-rupee October contract on the NSE closed near 73.51 in the last session. The open interest fell 1.33% in the last session

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	73.17	73.34	73.44	73.61	73.71
US\$INR (Nov)	73.39	73.54	73.64	73.80	73.90
EURINR (Oct)	85.89	86.00	86.13	86.24	86.38
EURINR (Nov)	86.08	86.23	86.44	86.59	86.80
GBPINR (Oct)	94.56	94.81	95.16	95.41	95.77
GBPINR (Nov)	94.81	95.05	95.41	95.66	96.02
JPYINR (Aug)	69.47	69.65	69.81	69.99	70.14
JPYINR (Nov)	69.75	69.89	69.97	70.11	70.19

US\$INR Strategy

US\$INR Oct futures contract (NSE)

Sell US\$ in the range of 73.55-73.60	Market Lot: US\$1000
Target: 73.35/ 73.25	Stop Loss: 73.71
Support: 73.25/73.15	Resistance: 73.65/73.75

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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