

September 28, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Oct	Buy	73.85	74.15	73.65	1 day

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INR Futures

Currency Pair	Close	Pvs. Close	% Change
US\$INR (Sep)	73.72	73.88	-0.22
EURINR (Sep)	85.81	86.06	-0.30
GBPINR (Sep)	93.66	94.20	-0.57
JPY INR (Sep)	69.92	70.04	-0.16

Global Bonds

Bonds	Close	Change	% Change
India 10 Year	6.04	0.05	0.00
India 2 Year	4.45	0.02	0.00
US 10 Year	0.66	0.00	-0.45
US 2 Year	0.13	0.00	-3.04
Germany 10 Year	-0.52	0.00	0.29

FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	7133	8798	-1666
Debt	254	279	-25
Net			-1691

- US\$INR futures corrected sharply on Friday as domestic equities jumped after days of correction. However, the pair remained largely supported and recovered gradually as dollar index continued to advance further
- The dollar index extended its gains on Friday and was on track for its biggest weekly gain since early April, as investors sought safety amid a slowing economic recovery, rising Coronavirus infections in Europe and uncertainty surrounding the upcoming US elections

- The Nifty recouped most of the last trading session's losses due to hopes of more stimulus measures from the government. Looking at the open positions in 11000 Call and Put, we feel that in the coming sessions, consolidation can be seen around these levels
- Short covering was clearly visible in banking stocks, which led the Bank Nifty to reclaim 21000 levels. IndusInd Bank was the leader whereas most private and PSU banks witnessed large upsides. Looking at the addition in OTM and ATM Call strike, we feel upsides are likely to be limited

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 1691 crore on September 24, 2020. They sold worth ₹ 1666 crore in the equity market and also sold worth ₹ 25 crore in the debt market. In September, FIIs have sold equities worth ₹ 1658 crore so far while in the debt market they have bought worth ₹ 3469 crore so far

US\$INR futures on NSE

Contracts	LTP	(% change)	OI	Vol	(% change)	
					OI	Vol
Sep	73.72	-0.22	901306	1834756	-18.82	-23.10
Oct	73.93	-0.22	1080844	911749	21.16	5.87
Sep-Oct	-0.21	-	-	923007	-	-

- The dollar is currently being driven by risk aversion that made traders quit their dollar shorts as the outlook for the global economic recovery darkened with a second wave of Covid-19 cases in Europe
- The dollar-rupee September contract on the NSE was at 73.72 in the last session. The open interest in the September series declined 18.82% while it increased 21.16% in the next series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.42	73.57	73.73	73.88	74.04
US\$INR (Oct)	73.41	73.67	74.06	74.33	74.72
EURINR (Sep)	85.47	85.64	85.93	86.09	86.38
EURINR (Oct)	85.83	85.96	86.19	86.32	86.54
GBPINR (Sep)	93.15	93.40	93.87	94.12	94.58
GBPINR (Oct)	93.47	93.73	94.18	94.43	94.88
JPY INR (Sep)	69.66	69.79	69.91	70.04	70.16
JPY INR (Oct)	69.80	69.97	70.10	70.27	70.41

US\$INR Strategy

US\$INR Oct futures (NSE)

Buy US\$INR in the range of 73.84-73.86

Market Lot: US\$1000

Targets: 74.05, 74.15

Stop Loss: 73.65

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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