

December 31, 2019

## Daily Currency outlook

**Other Product offerings**

### Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	January futures	Sell	71.70	71.50	71.85	1 day

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## Spot Currency

Currency	Close	Pvs. Close	% Change
US\$-INR	71.31	71.35	-0.05
Dollar index	96.74	96.92	-0.18
EUR-US\$	1.1199	1.1177	0.20
GBP-US\$	1.3113	1.3078	0.27
US\$-CNY	6.9868	6.9957	-0.13
US\$-JPY	108.88	109.44	-0.51
US\$-CHF	0.9694	0.9750	-0.57

- The rupee finally appreciated by 4 paise after five days of weakness to settle at 71.31 against the US currency amid weakening of the US dollar in the overseas markets even as crude oil prices surged
- The US dollar dipped in light year-end trading on Monday as safe-haven appetite for the currency diminished on renewed optimism about global growth. The dollar index, which measures the greenback against six major peers, slid 0.20 % at 96.74 in late trading

## Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	28462	28645	-0.64
S & P 500	3221	3240	-0.58
FTSE	7587	7645	-0.76
DAX	13249	13337	-0.66
HangSang	28179	28319	-0.49
Nikkei	23714	23838	-0.52
SGX Nifty	12288	12327	-0.32

- Equity benchmarks opened the last week of the year on a buoyant note. The Nifty ended the session at 12256, up 10 points
- Broader markets continued to outperform as Nifty midcap, small cap rose ~0.5% each

\*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

## Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	6.55	6.51	0.65
US 10-yr	1.88	1.88	0.19
Eur 10-yr	-0.19	-0.26	-27.73
UK 10-yr	0.87	0.76	14.83
JPY 10 yr	-0.01	0.00	0.00

## Commodities

	Close	pvs close	% change
Gold	1515	1511	0.30
Copper	283.4	283.7	-0.11
Brent	68.4	68.2	0.41

## FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	3675	2917	758
Debt	1904	1712	192
Net			950

- Yields on the government's 10-year treasury bill rose 0.65% and closed at 6.55 vs. 6.51
- US treasury prices saw a sell off on Monday alongside losses in European bond markets. The 10-year rate was near 1.88% from a 1.87% close with long-bond lagging

- Gold headed for its biggest annual advance since 2010 as the dollar weakened, even amid optimism on the trade front and signs of stabilisation in China's economy
- Oil held gains near the highest close in over three months after US crude stockpiles declined more than expected

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 950 crore on December 27, 2019
- FIIs have been net buyer of more than ₹ 3725 crore in December 2019

## Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% ) change	
					OI	Vol
January	71.53	0.44	1667636	1006037	-9.84	29.97
February	71.73	0.19	190300	137865	-89.60	-92.36
JAN-FEB	-0.20	-	-	868172	-	86.30
FEB-MAR	-0.22	-	-	129848	-	94.18

- The dollar-rupee January contract on the NSE was at 71.53 in the previous session. Open interest fell 9.9% in the previous session
- We expect the US\$INR to find resistance at higher levels. Utilise upsides in the pair to initiate short positions

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	71.42	71.48	71.56	71.62	71.70
US\$INR (Feb)	71.64	71.68	71.75	71.80	71.87
EURINR (Jan)	80.02	80.11	80.22	80.31	80.42
EURINR (Feb)	79.77	80.14	80.38	80.76	81.00
GBPINR (Jan)	93.60	93.74	93.86	93.99	94.11
GBPINR (Feb)	93.89	94.03	94.16	94.30	94.43
JPYINR (Jan)	65.43	65.52	65.61	65.70	65.80
JPYINR (Feb)	65.66	65.76	65.88	65.98	66.10

## US\$INR Strategy

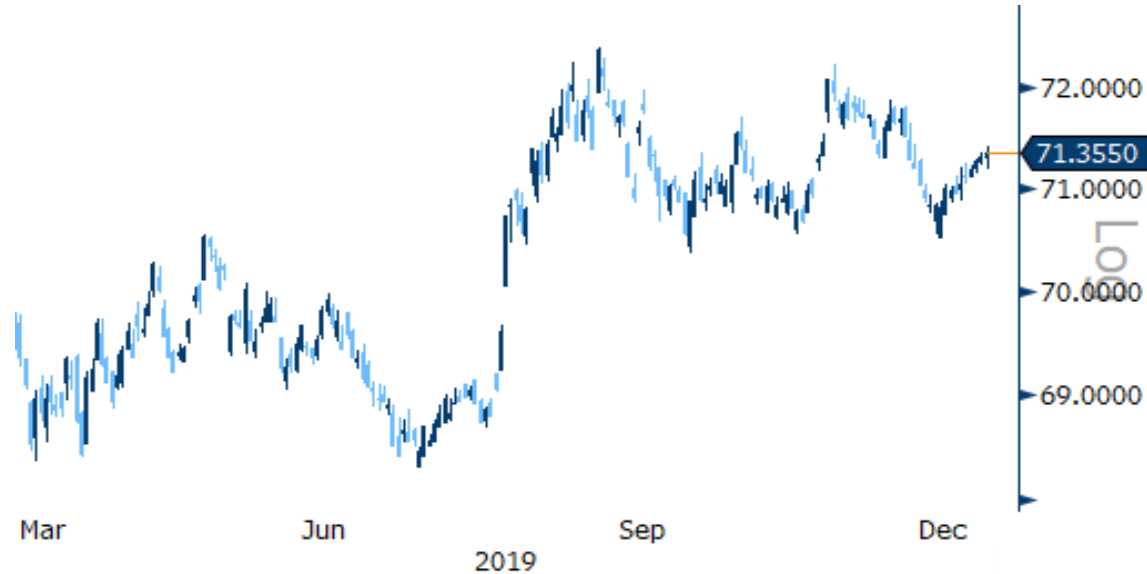
### US\$INR January futures contract (NSE)

Sell US\$ in the range of 71.65 -71.75	Market Lot: US\$1000
Target: 71.55 / 71.45	Stop Loss: 71.85
Support: 71.35/71.25	Resistance: 71.75/71.85

\*Recommendation initiation message shall be broadcasted on iclick2gain at relevant prices

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.

## US\$INR Spot



INR Curncy (Indian Rupee Spot) US\$INR Spot Daily 13MAR2019-30DEC2019 Copyright© 2019 Bloomberg Finance L.P. 30-Dec-2019 08:43:56

## Strategy update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
30-Dec-19	US\$INR	Buy US\$INR	71.50	71.75	71.35	0	Not initiated



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