

January 14, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	January futures	Buy	73.33	73.55	73.23	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	73.14	73.26	-0.12
EUR-INR	88.97	88.96	0.01
GBP-INR	99.89	99.53	0.36
JPY-INR (Future)	70.56	70.61	-0.05

- The rupee strengthened gains for a second day in a row and managed to end 10 paise higher as inflation was lower than expected. Positive inflows from FIIs are likely to provide support to the rupee
- The US Dollar index reverted from 90.70 level but stayed firm above 90 leaving post a bout of selling pressure earlier in the session. More upside would be seen only if the index manages to end above 90.7 level

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.95	5.93	0.29
India 2 Year	4.20	4.20	-0.10
US 10 Year	1.12	1.16	-3.63
US 2 Year	0.15	0.15	0.00
Germany 10 Year	-0.51	-0.48	7.37

- For a major part of the day, the Nifty consolidated with 14550 acting as a midpoint amid high volatility. Buying in banking and select auto helped the Nifty to recover from its day low. On the options front, aggressive additions were seen in 14600 and 14700 Call strike. We feel a consolidation move will take place before crossing the 14700 hurdle
- On Wednesday, the Bank Nifty consolidated throughout the day with stock specific action. However, outperformance was seen in PSU and select private banks, helping Bank Nifty futures to trade above 32500

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	9584	8643	941
Debt	190	1521	-1331
Net			-389

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 389 crore on January 12, 2020. They bought worth ₹ 941 crore in the equity market and sold worth ₹ 1331 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(%) change	
					OI	Vol
Jan	73.38	0.00	2665406	1675369	-11.05	0.09
Feb	73.60	-0.01	392068	290282	-1.12	0.05
Jan-Feb	0.21	-	-	1385087	-	-0.05

- The US\$INR pair ended almost flat for the day despite marginal rise in Dollar index. January series shed 11% in OI whereas price remained flat indicating marginal bounce could be seen in today's session
- The dollar-rupee January contract on the NSE was at ₹ 73.38 in the last session. The open interest fell 11.1% in the January series contracts

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	73.14	73.26	73.46	73.58	73.77
US\$INR (Feb)	73.40	73.50	73.65	73.75	73.90
EURINR (Jan)	88.94	89.06	89.24	89.36	89.53
EURINR (Feb)	89.24	89.35	89.52	89.64	89.80
GBPINR (Jan)	99.01	99.35	99.58	99.92	100.14
GBPINR (Feb)	99.52	99.74	99.90	100.11	100.28
JPYINR (Jan)	70.28	70.36	70.49	70.57	70.70
JPYINR (Feb)	70.51	70.58	70.69	70.76	70.87

US\$INR Strategy

US\$INR JAN futures contract (NSE)

Buy US\$INR in the range of 73.32-73.34

Market Lot: US\$1000

Target: 73.45/ 73.55

Stop Loss: 73.23

Support: 73.18/73.02

Resistance: 73.55/73.65

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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ANALYST CERTIFICATION

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