

January 11, 2019

## Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	January futures	Sell	70.69	70.45	70.86	1 day

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## Spot Currency

Currency	Close	Pvs. Close	% Change
US\$INR	70.41	70.47	-0.09
Dollar index	95.54	95.22	0.34
EUR-US\$	1.1500	1.1543	-0.37
GBP-US\$	1.2747	1.2789	-0.33
US\$-JPY	108.43	108.17	0.24
AUD-US\$	0.7185	0.7170	0.21
US\$-CHF	0.9845	0.9744	1.04

## Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	24002	23879	0.51
Nasdaq	6621	6601	0.31
FTSE	6943	6907	0.52
DAX	10922	10893	0.26
HangSang	26561	26521	0.15
Nikkei	20302	20164	0.69
SGX Nifty	10884	10861	0.21

\*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee ended mildly higher in yesterday's session as strength in major currencies against US\$ as well as mild profit booking in the US\$INR pair. It is expected to open at the same levels while recent gains in crude oil prices would remain under focus in the near term
- The dollar recovered some of its losses by the end of the day amid profit booking in British Pound and Euro. Fed's dovish comments have fed into dollar profit booking in the last few sessions. Going forward, US CPI data in backdrop of lower oil prices and GDP data would remain main triggers for investors to assess the Fed's rate hike prospects

- Equity benchmarks snapped their four day winning streak and ended the session on a subdued note. The Nifty settled at 10822, down 34 points or 0.3%
- Broader markets outperformed the benchmarks as the Nifty midcap and small caps rose 0.4%, each. As a result, the market breadth turned flat

## Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.59	NA	NA
US 10-yr	2.74	2.71	1.18
Eur 10-yr	0.20	0.22	-10.05
UK 10-yr	1.27	1.26	1.03
JPY 10-yr	0.02	0.03	-25.00

## Commodities

	Close	Pvs. Close	% Change
Gold	1287	1294	-0.53
Copper	263.8	265.7	-0.73
Brent	61.7	61.4	0.39

## FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	4402	3925	478
Debt	1316	882	434

- Sovereign bond yields rose recently tracking a recovery in oil prices as well as concerns over fiscal slippage ahead of general elections this year
- US treasury yields remain largely in a range although off from recent highs as concerns over US economy's growth prospects have increased

- Gold witnessed mild profit booking as the dollar recovered yesterday. We expect gold to rise amid declines in US yields as well as dovish Fed minutes
- Oil extended further gains as progress over US-China trade talks further improved sentiment. Growing optimism over Opec oil cuts is also supporting prices

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 912 crore on January 9, 2019
- FIIs have been net sellers of the more than ₹ 1299 crore in January 2019

## Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	chnng (%)	
					OI	Vol
January	70.54	-0.15	1297393	2324185	-14.23	-2.98
February	70.75	-0.14	394398	258200	3.13	-14.57
Jan-Feb	-0.21	-	-	2065985	-	88.89
Feb -Mar	-0.21	-	-	244451	-	94.68

- The dollar-rupee January contract on the NSE was at 70.54 in the previous session. January contract open interest declined 14.23% in the previous session
- We expect the US\$INR to meet supply pressure at higher levels. Utilise upsides in the pair to initiate short positions

## Pivot levels

Futures	Pivot	S1	S2	R1	R2
US\$INR (Jan)	70.58	70.39	70.24	70.73	70.93
US\$INR (Feb)	70.80	70.61	70.46	70.94	71.13
EURINR (Jan)	81.61	81.27	81.08	81.80	82.14
EURINR (Feb)	81.95	81.67	81.47	82.15	82.43
GBPINR (Jan)	90.16	89.83	89.63	90.36	90.69
GBPINR (Feb)	90.53	90.19	89.96	90.75	91.09
JPYINR (Jan)	65.40	65.17	65.03	65.54	65.77
JPYINR (Feb)	65.73	65.48	65.34	65.88	66.13

## US\$INR Strategy

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

Sell US\$ in the range of 70.65 -70.73

Market Lot: US\$1000

Target: 70.40 / 70.30

Stop Loss: 70.85

Support

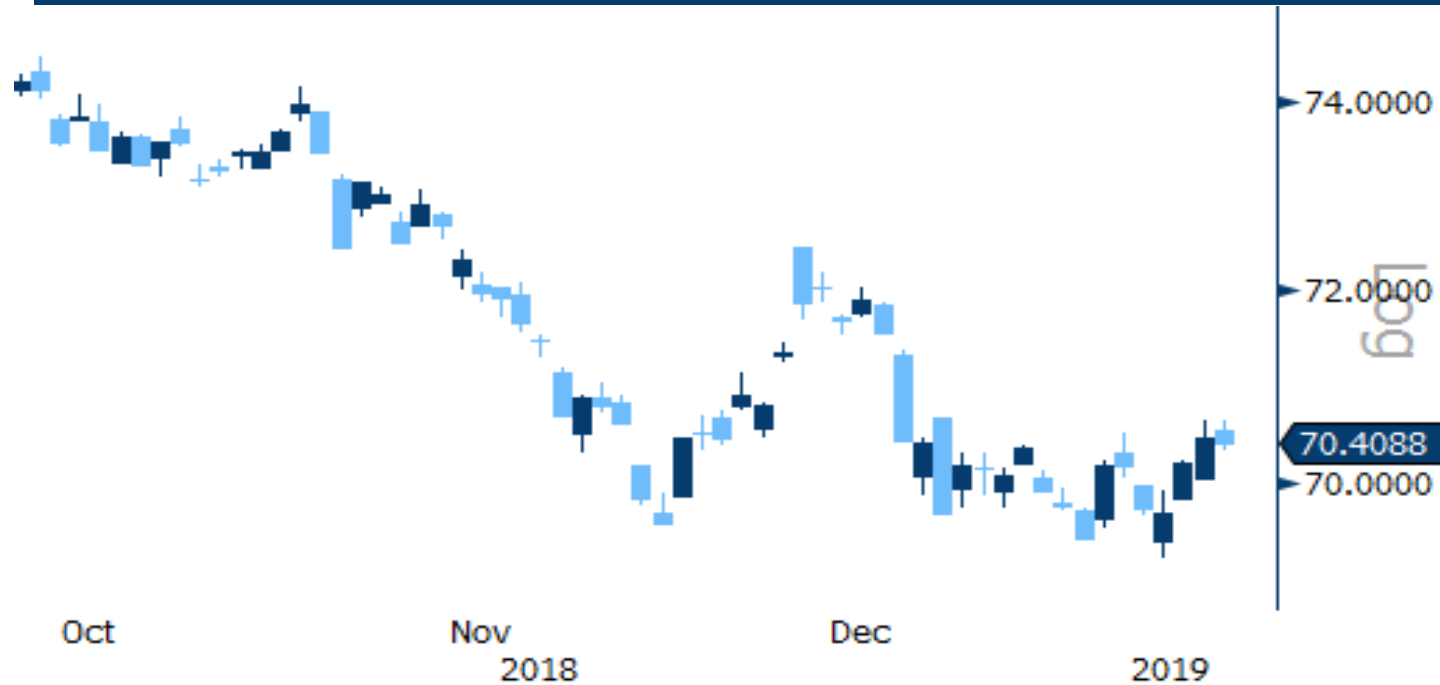
Resistance

S1/ S2: 70.45 / 70.30

R1/R2:70.70 /70.85

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

## US\$INR Spot



INR Curncy (Indian Rupee Spot) US\$INR Spot Daily 28MAY2016-11JAN2019 Copyright© 2019 Bloomberg Finance L.P. 11-Jan-2019 08:21:11

### Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
10-Jan-19	US\$INR	Buy future	70.59	70.77	70.47	80	Exit in profit

# Open Recommendations

Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
1/9/2019	US\$INR	Monthly currency	Sell US\$Inr	70.60	69.60	71.55	1 month

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