

November 6, 2018

Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	November futures	Sell	73.28	72.95	73.43	1-2 days

Other Product offerings

Monthly Currency and Thematic reports

Currency	Action
US\$INR	Sell

[Click here...](#)

Research Analysts

Amit Gupta

amit.gup@icicisecurities.com

Gaurav Shah

Gaurav.shah@icicisecurities.com

Spot Currency

Currency	Close	Pvs. Close	% Change
US\$INR	73.13	72.44	0.95
Dollar index	96.28	96.54	-0.27
EUR-US\$	1.1407	1.1388	0.17
GBP-US\$	1.3041	1.2970	0.55
US\$-JPY	113.19	113.20	-0.01
AUD-US\$	0.7211	0.7193	0.25
US\$-CHF	1.0045	1.0035	0.10

Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	25462	25271	0.76
Nasdaq	6937	6965	-0.40
FTSE	7104	7094	0.14
DAX	11495	11519	-0.21
HangSang	25842	25934	-0.36
Nikkei	22106	21899	0.94
SGX Nifty	10593	10560	0.31

*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee posted losses of almost 0.95% yesterday amid a surge in US\$ as well as cautiousness ahead of US midterm election outcome
- The US\$ pared its early gains to end lower as major currencies pulled back ahead of US midterm election outcome. The dollar has been upbeat on the back of higher US economic growth as well as recent decent October employment data. However, market participants braced ahead of expected volatility post US midterm election outcome. EM currencies shall also remain on edge as strength in dollar and rising US rates have led to outflow pressure

- Equity benchmark indices witnessed a choppy trading session, fuelled by weak Asian clues. The Nifty settled at 10524, down 29 points or 0.3%
- Broader markets underperformed benchmarks as the Nifty midcap, small cap slid 0.4%, each

Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.81	7.78	0.35
US 10-yr	3.20	3.21	-0.35
Eur 10-yr	0.43	0.43	-0.47
UK 10-yr	1.50	1.49	0.47
JPY 10-yr	0.13	0.13	-0.78

Commodities

	Close	Pvs. Close	% Change
Gold	1231	1233	-0.11
Copper	275.6	280.7	-1.82
Brent	73.2	72.8	0.47

FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	7428	7564	-136
Debt	5110	905	4205

- Government bonds were lower yesterday tracking selling in the rupee as well as a recent surge in US yields
- US treasury yields were mildly lower as investors remained on the sidelines ahead of US midterm elections followed by US FOMC monetary policy meeting this week

- Gold was lower on Monday weighed down by a recovery in the US\$. It is expected to find support amid a hit to risk sentiment
- Crude oil witnessed some short recovery yesterday ahead of US weekly inventory data. Underground inventories are expected to show additions of 3.217 mb against previous week's addition of 1.58 mb

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 4069 crore on November 2, 2018
- FIIs have been net buyers of the more than ₹ 5580 crore in November 2018

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	chng (%)	
					OI	Vol
November	73.25	0.84	1954558	2025339	-6.23	-38.22
December	73.51	0.82	338281	107088	1.57	-62.07
Nov-Dec	-0.25	-	-	1918251	-	94.71
Dec-Jan	-0.24	-	-	95934	-	89.58

- The dollar-rupee November contract on the NSE was at 73.25 in the previous session. November contract open interest declined 6.23% in the previous session
- We expect the US\$INR to find 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 (Nov)	73.15	73.01	72.76	73.39	73.53
US\$INR (Dec)	73.32	73.10	72.69	73.73	73.95
EURINR (Nov)	83.44	83.24	82.96	83.72	83.92
EURINR (Dec)	83.94	83.75	83.51	84.18	84.37
GBPINR (Nov)	95.25	94.92	94.43	95.74	96.06
GBPINR (Dec)	95.68	95.42	94.94	96.16	96.43
JPYINR (Nov)	64.67	64.52	64.25	64.94	65.09
JPYINR (Dec)	65.09	64.93	64.64	65.38	65.54

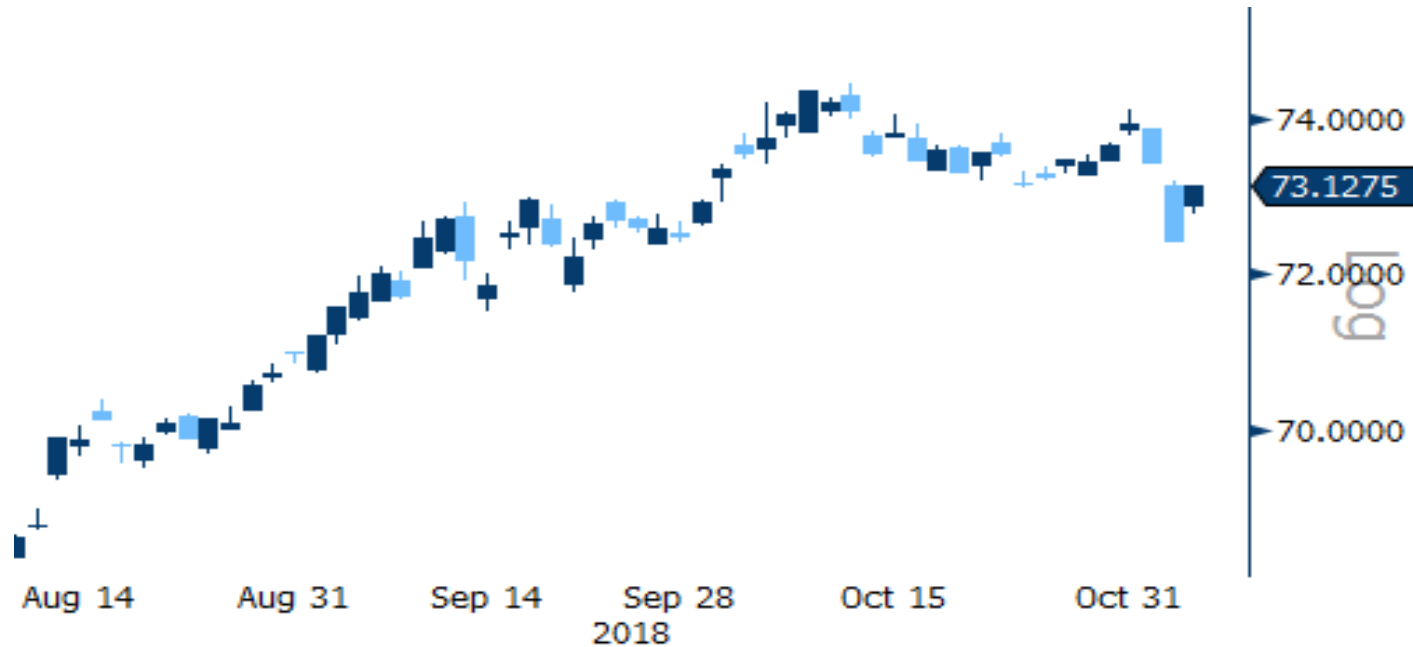
US\$INR Strategy

US\$INR November futures contract (NSE)

Sell US\$ in the range of 73.25 -73.33	Market Lot: US\$1000
Target: 73.00 / 72.90	Stop Loss: 73.43
Support	Resistance
S1/ S2: 73.15 / 72.90	R1/R2:73.25 /73.40

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

US\$INR Spot



INR Currecy (Indian Rupee Spot) US\$INR Spot Daily 28MAY2016-06NOV2018

Copyright © 2018 Bloomberg Finance L.P.
06-Nov-2018 08:05:04

Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
5-Nov-18	US\$INR	Sell future	73.18	73.04	73.30	-70	Exit in loss

Open Recommendations

Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
10/25/2018	US\$INR	Positional Currency	Sell US\$INR November future	73.47	72.20	74.50	1 month

[Back...](#)



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

DISCLAIMER

Disclaimer: ICICI securities Limited Sebi Registration is INZ000183631 for stock broker. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Limited.. The author may be holding a small number of shares/position in the above-referred companies as on date of release of this report. ICICI Securities Services Ltd (I-Sec) may be holding a small number of shares/ an open position in the above referred companies as on the date of release of this report." This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgement by any recipient. The recipient should independently evaluate the investment risks. ICICI Securities Ltd and affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. ICICI Securities Ltd may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities Ltd and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.