

March 13, 2019

# Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	March futures	Buy	69.75	70.05	69.59	1 day

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## Spot Currency

Currency	Close	Pvs. Close	% Change
US\$INR	69.71	69.89	-0.25
Dollar index	96.94	97.22	-0.29
EUR-US\$	1.1288	1.1245	0.38
GBP-US\$	1.3075	1.3150	-0.57
US\$-JPY	111.36	111.21	0.13
AUD-US\$	0.7082	0.7070	0.17
US\$-CHF	1.0077	1.0106	-0.29

- The rupee ended higher at 69.71, up by 18 paise against US\$. Continued flows in domestic equities and recovery in Euro currencies supported rupee
- The dollar extended further mild losses on Tuesday even as major currencies remain on recovery path. The UK Parliament has again rejected the PM's Brexit vote. Today, the UK Parliament will vote on whether the UK should leave EU with or without a deal. GBP is expected to gyrate wildly reacting to news and expectations in next few sessions even as the UK Parliament will continue its proceedings

## Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	25555	25651	-0.38
Nasdaq	7201	7164	0.52
FTSE	7151	7131	0.29
DAX	11524	11543	-0.17
HangSang	28772	28921	-0.51
Nikkei	21219	21504	-1.33
SGX Nifty	11313	11332	-0.17

- Equity benchmarks extended gains over a second consecutive session and ended the session at 11301, up 133 or 1.2%
- Broader markets performed in tandem with benchmarks as Nifty midcap, small cap rose 0.5% and 1.3%, respectively. The market breadth remained positive with A/D ratio of 1.7:1

\*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

## Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.36	7.35	0.08
US 10-yr	2.60	2.64	-1.43
Eur 10-yr	0.06	0.07	-20.29
UK 10-yr	1.16	1.18	-1.36
JPY 10-yr	-0.03	-0.03	-15.15

## Commodities

	Close	Pvs. Close	% Change
Gold	1302	1293	0.64
Copper	292.8	290.0	0.95
Brent	66.7	66.6	0.14

## FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	8104	4652	3453
Debt	1537	462	1074

- Sovereign treasury yields rose mildly to 7.36% as muted global yields and lower inflation kept yields in a range. Domestic retail inflation for February rose to 2.57%
- US treasury yields declined to 2.60% while worsening global growth expectations could cap rising yields. Incoming economic data remains important for further signals

- Gold rose in the previous session even as US\$ declined. It has seen sharp profit booking in the last few sessions. The current strength in the US\$ is weighing on gold's further rise
- Oil was higher by almost 0.14% in the previous session buoyed by a rise in global equities. US weekly inventory report is expected to show addition of 2.57 mb, which was 7.06 mb in previous week

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 4527 crore on March 11, 2019
- FIIs have been net buyers of more than ₹ 14962 crore in March 2019

## Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
March	69.83	-0.26	1632848	2147461	-2.12	32.00
April	70.13	-0.28	427676	325497	-5.29	106.97
Mar-Apr	-0.29	-	-	1821964	-	84.84
Apr-May	-0.24	-	-	228048	-	70.06

- The dollar-rupee March contract on the NSE was at 69.83 in the previous session. March contract open interest declined 2.12% in the previous session
- We expect the US\$INR to find supports at higher levels. Utilise downsides in the pair to initiate long positions

## Pivot levels

Futures	Pivot	S1	S2	R1	R2
US\$INR (Mar)	69.77	69.67	69.50	69.94	70.04
US\$INR (Apr)	70.08	69.96	69.79	70.25	70.37
EURINR (Mar)	78.76	78.63	78.46	78.93	79.06
EURINR (Apr)	79.26	79.14	78.98	79.43	79.54
GBPINR (Mar)	91.65	90.73	89.98	92.40	93.33
GBPINR (Apr)	92.12	91.37	90.70	92.80	93.55
JPYINR (Mar)	62.81	62.67	62.47	63.01	63.14
JPYINR (Apr)	63.20	63.08	62.89	63.39	63.51

## US\$INR Strategy

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

Buy US\$ in the range of 69.72 -69.78

Market Lot: US\$1000

Target: 70.0 / 70.10

Stop Loss: 69.59

Support

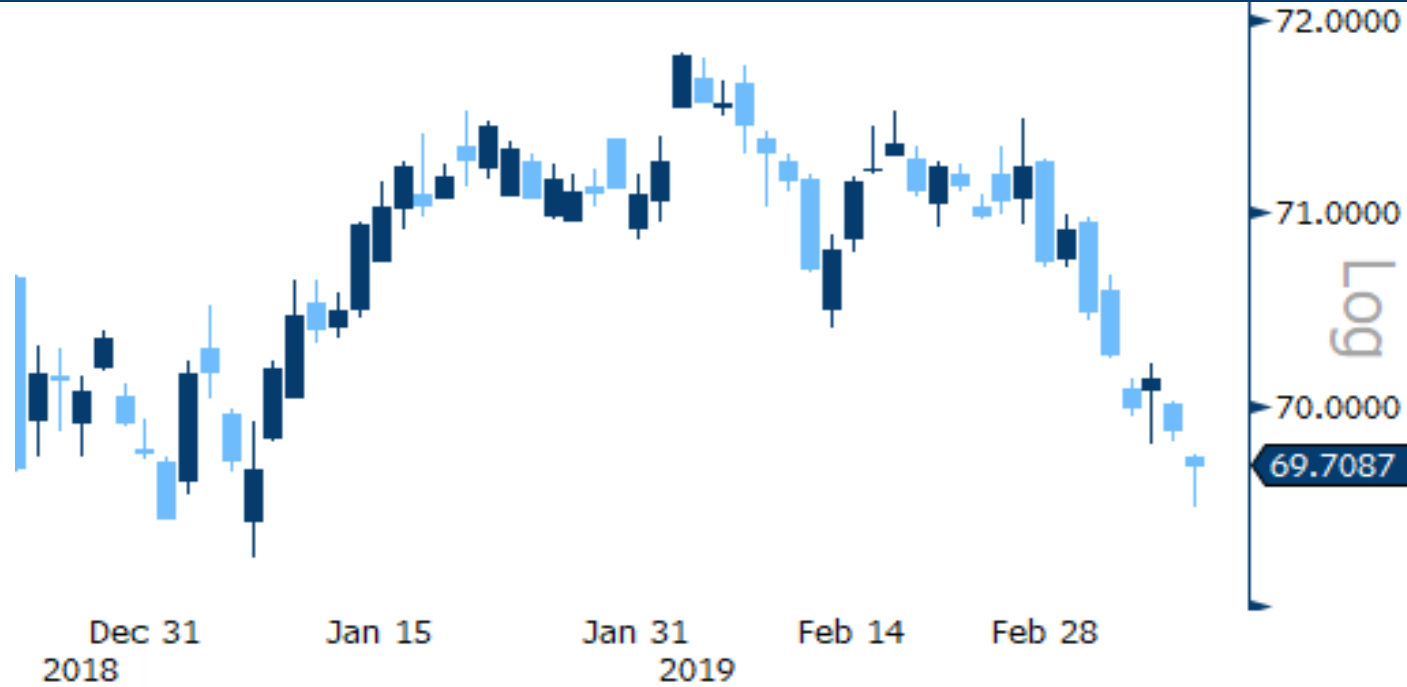
Resistance

S1/ S2: 69.65 / 69.50

R1/R2:70.05 /70.15

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

## US\$INR Spot



INR Cuncy (Indian Rupee Spot) US\$INR Spot Daily 08DEC2018-13MAR2019 Copyright© 2019 Bloomberg Finance L.P. 13-Mar-2019 08:15:29

### Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
12-Mar-19	US\$INR	Sell US\$INR	69.69	69.56	69.82	60	Exit in profit

# Open Recommendations



Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
-	-	-	-	-	-	-	-

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