

November 13, 2018

## Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	November futures	Sell	72.99	72.65	73.15	1-2 days

### Other Product offerings

#### Monthly Currency and Thematic reports

Currency	Action
US\$INR	Sell

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## Spot Currency

Currency	Close	Pvs. Close	% Change
US\$INR	72.89	72.50	0.55
Dollar index	97.54	96.91	0.66
EUR-US\$	1.1218	1.1336	-1.04
GBP-US\$	1.2849	1.2972	-0.95
US\$-JPY	113.84	113.83	0.01
AUD-US\$	0.7173	0.7226	-0.73
US\$-CHF	1.0109	1.0056	0.53

## Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	25989	26191	-0.77
Nasdaq	7039	7159	-1.67
FTSE	7105	7141	-0.49
DAX	11529	11527	0.02
HangSang	25624	25602	0.08
Nikkei	22280	22250	0.13
SGX Nifty	10606	10623	-0.16

\*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee sustained losses yesterday weighed by strength in the US\$ against all currencies. The rupee is expected to remain on the edge in the backdrop of looming assembly elections as well as US-China trade talks
- The US\$ extended gains against major as well as EM currencies supported by rate hike prospects as well as a rise in US yields. Dollar index rose above 97.5 levels, testing highest levels since June 2017. Investors would be keenly awaiting details of US-China trade talks as well as the expected meeting between the US President and Chinese premier

- Equity benchmarks edged lower for a second consecutive session. The Nifty settled at 10482, down 103 points or 1%
- Broader markets moved in tandem with the benchmarks as the Nifty midcap, small cap lost 1%, each. As a result, the market breadth turned in favour of declines with AD ratio of 1:1.7

## Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.80	7.76	0.53
US 10-yr	3.18	3.18	0.00
Eur 10-yr	0.40	0.41	-2.21
UK 10-yr	1.45	1.49	-2.62
JPY 10-yr	0.12	0.12	-3.25

## Commodities

	Close	Pvs. Close	% Change
Gold	1200	1210	-0.77
Copper	267.7	268.5	-0.30
Brent	70.1	70.2	-0.09

## FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	3078	5781	-2703
Debt	569	930	-360

- Government bonds declined as yields rose tracking weakness in the rupee as well as FII outflows in debt and equities in last session
- US treasury yields were unchanged as investors tracked strength in the dollar ahead of US-China trade talks. Adverse outcome could weigh on yields and support safe buying in US treasuries

- Gold extended profit booking amid strength in the US\$. However, it may find supports at lower levels in the backdrop of shaky global trade sentiments
- Crude oil further extended losses, as strength in the dollar and expectation of supply surge continue to weigh on oil. Opec is mulling supply cuts in 2019 while Iran's supply since the sanctions would remain in focus

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 3063 crore on November 9, 2018
- FIs have been net buyers of the more than ₹ 2819 crore in November 2018

## Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	chng (%)	
					OI	Vol
November	73.01	0.50	1668248	2101260	-10.13	16.46
December	73.27	0.51	386438	167182	10.90	21.03
Nov-Dec	-0.26	-	-	1934078	-	92.04
Dec-Jan	-0.23	-	-	151868	-	90.84

- The dollar-rupee November contract on the NSE was at 73.01 in the previous session. November contract open interest declined 10.13% 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 (Nov)	72.73	72.50	72.36	72.87	73.09
US\$INR (Dec)	72.98	72.75	72.60	73.12	73.35
EURINR (Nov)	82.65	82.32	82.12	82.86	83.19
EURINR (Dec)	83.14	82.82	82.63	83.33	83.64
GBPINR (Nov)	94.79	94.34	94.08	95.06	95.51
GBPINR (Dec)	95.26	94.84	94.57	95.53	95.95
JPYINR (Nov)	63.97	63.78	63.67	64.08	64.26
JPYINR (Dec)	64.39	64.23	64.14	64.48	64.64

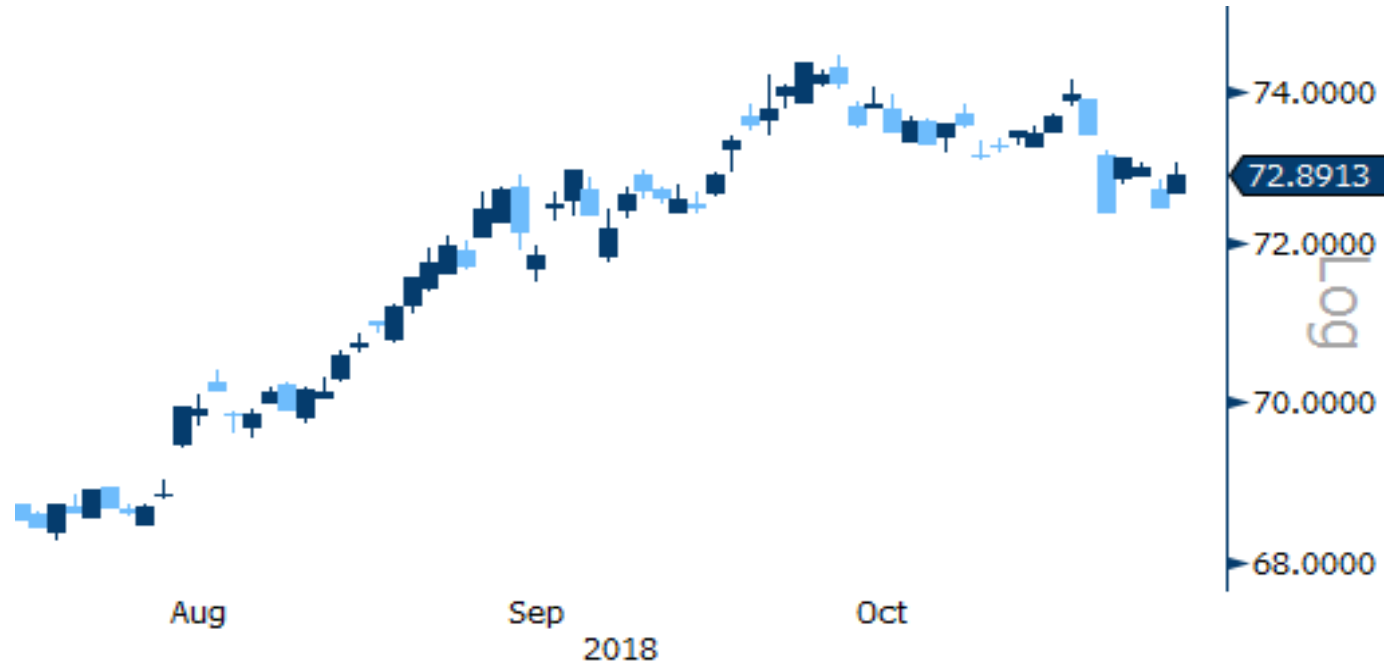
## US\$INR Strategy

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

Sell US\$ in the range of 72.95 -73.03	Market Lot: US\$1000
Target: 72.70 / 72.60	Stop Loss: 73.15
Support	Resistance
S1/ S2: 72.70 / 72.60	R1/R2:72.98 /73.20

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

## US\$INR Spot



INR Curncy (Indian Rupee Spot) US\$INR Spot Daily 28MAY2016-13NOV2018 Copyright© 2018 Bloomberg Finance L.P.  
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### Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
12-Nov-18	US\$INR	Sell future	73.04	72.88	73.15	-110	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

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