

March 14, 2019

Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	March futures	Sell	69.80	69.50	69.96	1 day

Other Product offerings

Monthly Currency and Thematic reports

Currency	Action
-	-

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Research Analysts

Amit Gupta

amit.gup@icicisecurities.com

Gaurav Shah

Gaurav.shah@icicisecurities.com

Spot Currency

Currency	Close	Pvs. Close	% Change
US\$INR	69.54	69.71	-0.24
Dollar index	96.55	96.94	-0.40
EUR-US\$	1.1327	1.1288	0.35
GBP-US\$	1.3338	1.3075	2.01
US\$-JPY	111.17	111.36	-0.17
AUD-US\$	0.7094	0.7082	0.17
US\$-CHF	1.0041	1.0077	-0.36

Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	25703	25555	0.58
Nasdaq	7257	7201	0.77
FTSE	7159	7151	0.11
DAX	11572	11524	0.42
HangSang	28885	28807	0.27
Nikkei	21424	21290	0.63
SGX Nifty	11389	11384	0.04

*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee ended higher at 69.54, up by 17 paise against US\$. Continued flows in domestic equities and recovery in Euro currencies supported rupee. However, rise in crude oil price could cap sharp appreciation in rupee
- The dollar witnessed profit booking. Once again it was unsuccessful in breaching the hurdle at 97.5. Revival in Euro and GBP weighed on dollar's rise. British pound rallied sharply as the UK parliament has rejected the no-deal exit from EU. The members will now vote for extension of Brexit date. This is positive for major currencies as well as EM currencies.

- Equity benchmarks extended gains and ended the session at 11342, up 41 points or 0.36%
- Broader markets underperformed as Nifty midcap, small cap lost 0.5% and 0.2%, respectively, leading market breadth to turn negative with A/D ratio of 1:1.8

Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.38	7.36	0.29
US 10-yr	2.62	2.60	0.76
Eur 10-yr	0.07	0.06	18.18
UK 10-yr	1.20	1.16	3.01
JPY 10-yr	-0.04	-0.03	50.00

Commodities

	Close	Pvs. Close	% Change
Gold	1309	1302	0.58
Copper	293.4	292.8	0.20
Brent	67.6	66.7	1.32

FII Activity

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

- Sovereign treasury yields rose mildly to 7.38% as muted global yields and lower inflation kept yields in a range. Domestic retail inflation for February rose to 2.57%. Crude oil price strength could weigh on domestic debt
- US treasury yields rose to 2.62% 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 up almost 1.32% in the previous session buoyed by a rise in global equities and improving Risk sentiment. US weekly inventory report showed drawdown of 3.8 mb against previous week's withdrawal of 2.57 mb

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 3884 crore on March 12, 2019
- FIIs have been net buyers of more than ₹ 18846 crore in March 2019

Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
March	69.65	-0.26	1578928	1627187	-3.30	-24.23
April	69.95	-0.25	435747	268227	1.89	-17.59
Mar-Apr	-0.30	-	-	1358960	-	83.52
Apr-May	-0.24	-	-	241745	-	90.13

- The dollar-rupee March contract on the NSE was at 69.65 in the previous session. March contract open interest declined 3.30% in the previous session
- We expect the US\$INR 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 (Mar)	69.69	69.49	69.33	69.85	70.05
US\$INR (Apr)	69.99	69.80	69.64	70.15	70.34
EURINR (Mar)	78.83	78.66	78.51	78.98	79.15
EURINR (Apr)	79.34	79.17	79.02	79.49	79.65
GBPINR (Mar)	91.57	91.39	91.06	91.90	92.08
GBPINR (Apr)	92.10	91.95	91.69	92.37	92.52
JPYINR (Mar)	62.71	62.49	62.33	62.87	63.09
JPYINR (Apr)	63.15	62.90	62.74	63.32	63.57

US\$INR Strategy

US\$INR March futures contract (NSE)

Sell US\$ in the range of 69.77 -69.83 Market Lot: US\$1000

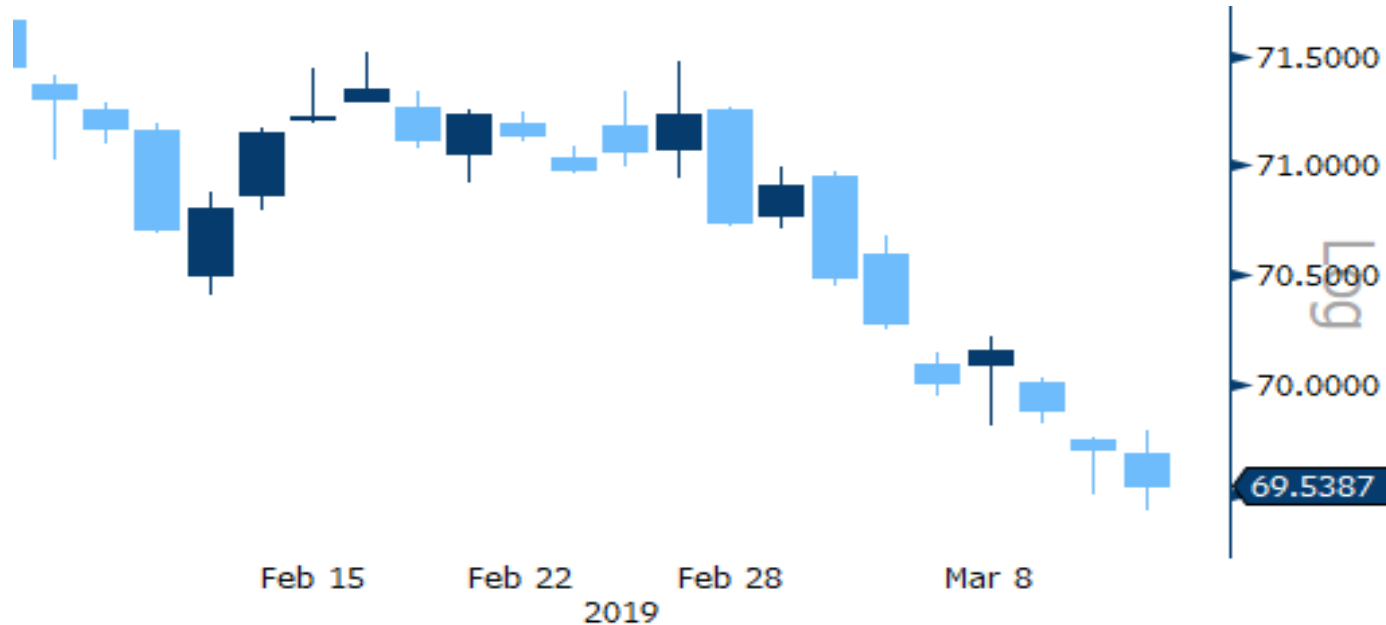
Target: 69.55 / 69.45 Stop Loss: 69.96

Support Resistance

S1/ S2: 69.60 / 69.50 R1/R2:69.90 /70.05

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

US\$INR Spot



INR Currecy (Indian Rupee Spot) US\$INR Spot Daily 08DEC2018-14MAR2019 Copyright© 2019 Bloomberg Finance L.P. 14-Mar-2019 08:04:38

Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
13-Mar-19	US\$INR	Buy US\$INR	69.86	69.99	69.74	-120	Exit in loss

Open Recommendations



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

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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

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