

March 15, 2019

Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	March futures	Sell	69.60	69.30	69.77	1 day

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-	-

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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	69.35	69.54	-0.27
Dollar index	96.79	96.55	0.24
EUR-US\$	1.1304	1.1327	-0.20
GBP-US\$	1.3242	1.3338	-0.72
US\$-JPY	111.70	111.17	0.48
AUD-US\$	0.7064	0.7094	-0.42
US\$-CHF	1.0038	1.0041	-0.03

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 69.35, up by 19 paise against the US\$, marking a fourth day of consecutive gains. Continued flows in domestic equities and a recovery in Euro supported the rupee. However, gradually rising crude oil prices could cap a sharp appreciation in the rupee
- The dollar ended slightly higher as the British Pound fell amid current US parliament Brexit slugfest. UK Parliament has overwhelmingly voted to ask for extension of Brexit date. Euro also ended lower amid current uncertainty over Brexit and its own inherent weak data

- Equity benchmarks continued their winning streak and settled a tad above last session's close at 11343
- Meanwhile, broader markets remain unchanged. As a result, market breadth stayed slightly in favour of declines with A/D ratio of 1:1.4

Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.36	7.38	-0.18
US 10-yr	2.63	2.62	0.34
Eur 10-yr	0.09	0.07	32.31
UK 10-yr	1.22	1.20	2.17
JPY 10-yr	-0.04	-0.04	-2.38

Commodities

	Close	Pvs. Close	% Change
Gold	1296	1309	-0.99
Copper	288.9	293.4	-1.53
Brent	67.2	67.6	-0.47

FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	8364	6151	2213
Debt	813	2506	-1693

- Sovereign treasury yields declined 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%. Crude oil price strength could weigh on domestic debt
- US treasury yields rose to 2.63% while worsening global growth expectations could cap rising yields. Incoming economic data remains important for further signals

- Gold declined in the previous session owing to a reversal in US\$. 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 declined by 0.47% in the previous session amid strength in US\$ and concerns over supply glut as well as global economic growth. 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 ₹ 520 crore on March 13, 2019
- FIIs have been net buyers of more than ₹ 19367 crore in March 2019

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
March	69.46	-0.27	1593004	2808516	0.89	72.60
April	69.74	-0.30	447964	783508	2.80	192.11
Mar-Apr	-0.28	-	-	2025008	-	72.10
Apr-May	-0.21	-	-	635558	-	81.12

- The dollar-rupee March contract on the NSE was at 69.46 in the previous session. March contract open interest increased 0.89% 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)	69.55	69.27	69.08	69.74	70.03
US\$INR (Apr)	69.88	69.50	69.26	70.12	70.51
EURINR (Mar)	78.83	78.42	78.18	79.07	79.48
EURINR (Apr)	79.30	78.92	78.69	79.53	79.92
GBPINR (Mar)	92.24	91.59	91.15	92.69	93.34
GBPINR (Apr)	92.71	92.05	91.59	93.17	93.83
JPYINR (Mar)	62.43	62.16	61.98	62.61	62.88
JPYINR (Apr)	62.84	62.50	62.29	63.05	63.39

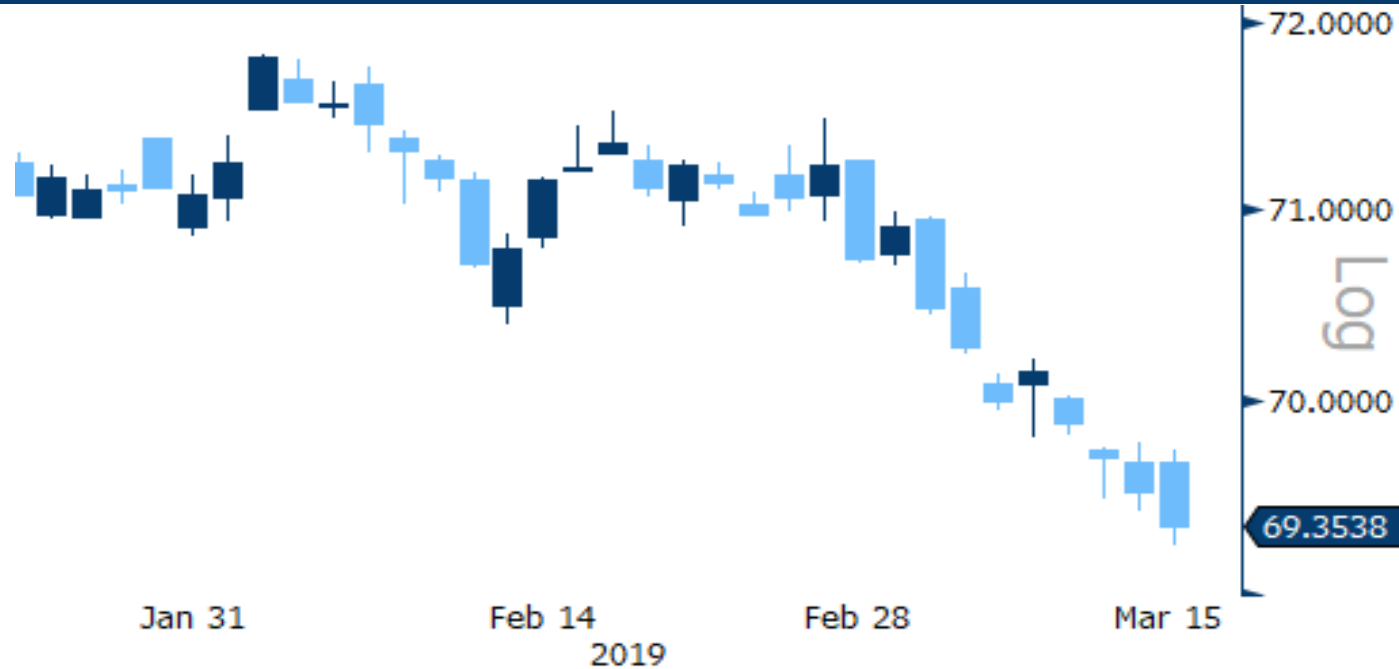
US\$INR Strategy

US\$INR March futures contract (NSE)

Sell US\$ in the range of 69.57 -69.63	Market Lot: US\$1000
Target: 69.35 / 69.25	Stop Loss: 69.77
Support	Resistance
S1/ S2: 69.40 / 69.20	R1/R2:69.60 /69.70

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

US\$INR Spot



INR Curncy (Indian Rupee Spot) US\$INR Spot Daily 08DEC2018-15MAR2019 Copyright© 2019 Bloomberg Finance L.P. 15-Mar-2019 07:49:49

Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
14-Mar-19	US\$INR	Sell US\$INR	69.73	69.58	69.84	-20	Exit near cost

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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