

May 15, 2019

## Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	May futures	Buy	70.37	70.75	70.20	1 day

### Other Product offerings

[Monthly Currency and Thematic reports](#)

Currency	Action
-	-

[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	70.44	70.52	-0.12
Dollar index	97.53	97.32	0.21
EUR-US\$	1.1204	1.1222	-0.16
GBP-US\$	1.2905	1.2958	-0.41
US\$-JPY	109.61	109.30	0.28
AUD-US\$	0.6944	0.6944	0.00
US\$-CHF	1.0087	1.0064	0.23

## Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	25532	25325	0.82
S & P 500	2834	2812	0.80
FTSE	7242	7164	1.09
DAX	11992	11877	0.97
HangSang	28241	28122	0.42
Nikkei	21071	21067	0.02
SGX Nifty	11263	11261	0.01

\*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee ended mildly higher even as most risk assets including equity rebounded in yesterday's session. It ended 8 paise higher and is expected to open further higher today as calming comments from the US President has soothed risk aversion
- The Dollar Index rose yesterday tracking gains in US yields as the US President tried to downplay the current simmering US-China trade war escalation. US official's comments that US Treasury Secretary Steven Mnuchin may visit Beijing calmed the markets. Developments on the trade war remain a key trigger for currencies, especially in EM currencies led by Chinese Yuan

- Equity benchmarks snapped their last nine session's losing streak as the Nifty gained 74 points or 0.7% to settle at 11222
- Broader market performed in tandem with benchmarks as the Nifty midcap, small cap rose 0.5% and 0.7%, respectively. As a result, the market breadth turned slightly positive

## Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.38	7.39	-0.18
US 10-yr	2.41	2.40	0.37
Eur 10-yr	-0.07	-0.07	0.00
UK 10-yr	1.11	1.10	0.36
JPY 10-yr	-0.05	-0.05	4.17

## Commodities

	Close	pvs close	% change
Gold	1297	1300	-0.23
Copper	273.5	273.0	0.18
Brent	71.2	70.2	1.44

## FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	2990	3943	-953
Debt	306	500	-194
Net			-1147

- Sovereign benchmark treasury yields declined to 7.38% on Tuesday. Yields remain in a range in the backdrop of gradual rising oil prices but subdued global yields
- US treasury yields rose to 2.41% as the US President's comments soothed the simmering US-China trade friction. China has retaliated with punitive tariffs while the US is readying the list of \$325 billion worth of Chinese imports into the US for further up to 25% tariffs

- Gold witnessed mild profit booking on Tuesday even as worsening risk sentiment has supported safe haven buying. A near term move in the US\$ likely to be a key trigger for gold
- Oil posted gains of over 1.4% on Tuesday ahead of weekly data. US weekly report is likely to show addition of 0.16 mb as against previous week's drawdown of 3.96 mb

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 1147 crore on May 13, 2019
- FIIs have been net sellers of more than ₹ 4211 crore in May 2019

## Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% ) change	
					OI	Vol
May	70.59	-0.07	2047121	1651353	-5.04	-38.71
June	70.84	-0.07	849955	211440	8.24	-50.45
May-June	-0.25	-	-	1439913	-	87.20
June - July	-0.27	-	-	193771	-	91.64

- The dollar-rupee May contract on the NSE was at 70.59 in the previous session. May contract open interest declined 5.04% in the previous session
- We expect the US\$INR to find supports at lower levels. Utilise the downsides in the pair to initiate long positions

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (May)	70.29	70.44	70.57	70.72	70.85
US\$INR (June)	70.31	70.57	70.94	71.20	71.56
EURINR (May)	79.09	79.23	79.37	79.51	79.65
EURINR (June)	79.56	79.68	79.80	79.92	80.04
GBPINR (May)	90.93	91.18	91.46	91.71	91.98
GBPINR (June)	91.20	91.54	91.99	92.33	92.78
JPYINR (May)	64.06	64.22	64.41	64.57	64.76
JPYINR (June)	64.02	64.37	64.68	65.04	65.35

## US\$INR Strategy

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

Buy US\$ in the range of 70.33 -70.41

Market Lot: US\$1000

Target: 70.70 / 70.80

Stop Loss: 70.20

Support

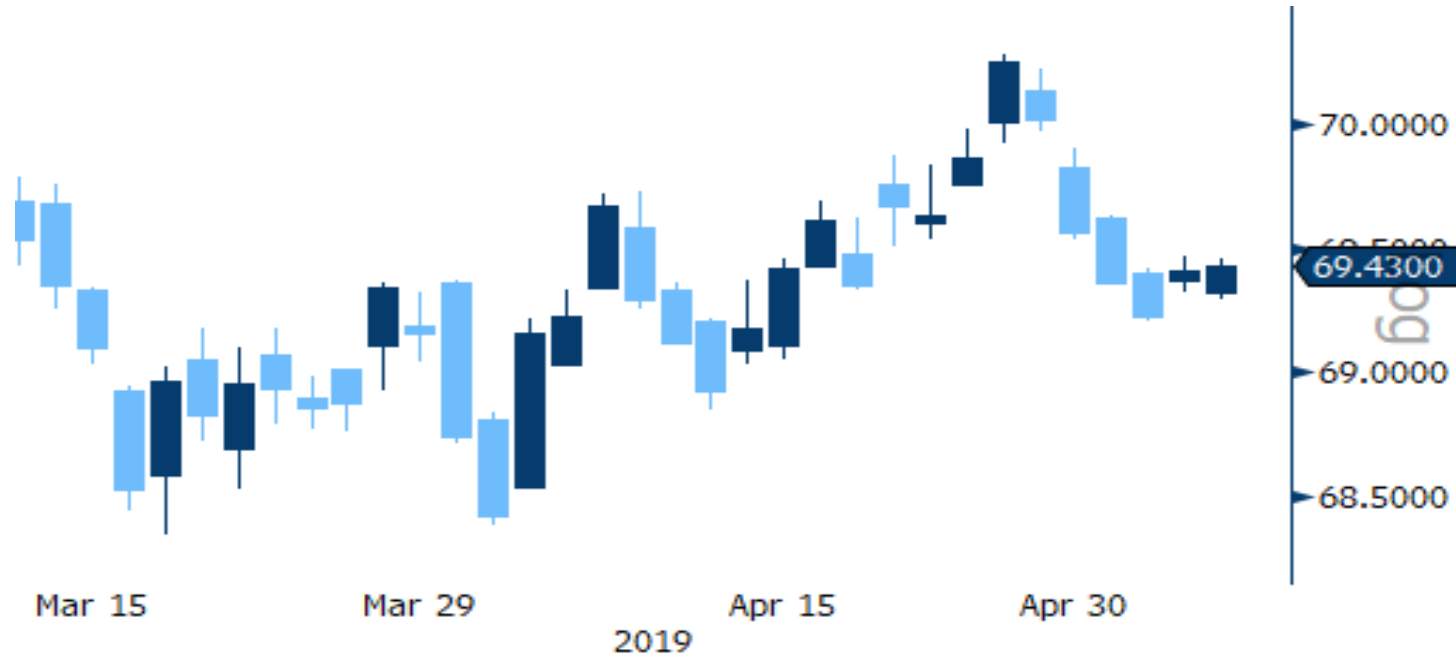
Resistance

S1/ S2: 70.45 / 70.30

R1/R2:70.70 /70.90

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

## US\$INR Spot



INR Curncy (Indian Rupee Spot) US\$INR Spot Daily 25MAR2018-08MAY2019 Copyright© 2019 Bloomberg Finance L.P.  
08-May-2019 08:02:04

### Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
14-May-19	US\$INR	Buy US\$INR	70.40	70.70	70.24	0	Not initiated

# Open Recommendations



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

[Back...](#)



---

Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto:pankaj.pandey@icicisecurities.com)

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

---

I/We, Gaurav shah (MMS Finance), Amit Gupta (B.E, MBA), authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities Limited is a SEBI registered Research Analyst with SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com).

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 position in currency derivatives as on date of release of this report. ICICI Securities Limited may be holding a proprietary position in currency derivatives 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 judgment 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. 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. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com).