

January 21, 2019

## Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	January futures	Buy	71.12	71.50	70.95	1 day

### 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	71.19	71.04	0.21
Dollar index	96.34	96.07	0.28
EUR-US\$	1.1363	1.1389	-0.23
GBP-US\$	1.2872	1.2986	-0.88
US\$-JPY	109.78	109.26	0.48
AUD-US\$	0.7168	0.7193	-0.35
US\$-CHF	0.9954	0.9942	0.12

## Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	24706	24370	1.38
Nasdaq	6785	6718	0.98
FTSE	6968	6835	1.95
DAX	11206	10919	2.63
HangSang	27194	27091	0.38
Nikkei	20769	20666	0.50
SGX Nifty	10954	10935	0.17

\*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee continued its march towards a one month high as it ended near 71.2 (0.2% higher). Unwinding of short positions & weakness in fiscal, may have triggered appreciation in the currency
- The dollar moved higher yet again as progress on US-China grabbed the highlight. Continued improvement in the US risk assets performance also led the dollar to recover from its key support level of 95. However, now the dollar index is nearing its short-term resistance level of 96.5

- Equity benchmarks settled higher for the week amid better-than-expected earnings of some heavyweights, further aided by positive global peers amid optimism on trade deal. The Nifty settled at 10900, up 110 points or 1.1%
- On the other hand, broader market indices relatively underperformed as they settled flattish for the week

## Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.31	7.28	0.45
US 10-yr	2.78	2.75	1.23
Eur 10-yr	0.26	0.24	7.82
UK 10-yr	1.35	1.34	1.20
JPY 10-yr	0.02	0.01	166.67

## Commodities

	Close	Pvs. Close	% Change
Gold	1282	1292	-0.77
Copper	271.9	268.0	1.46
Brent	62.7	61.2	2.48

## FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	4386	3494	892
Debt	729	1012	-284

- Sovereign treasury yields rose to 7.31% due to outflows in domestic debt. Weakness in the rupee in the last few sessions have aggravated concerns on domestic debt as fiscal slippage worries continue to remain
- US treasury yields rose due to positive development in US-China trade talks. However, investors would be tracking upcoming Fed monetary policy meeting in the backdrop of lower expectation of faster rate hikes

- Gold held a drop as the dollar gained amid signs of strength in the US economy and on optimism steps are being taken toward a US-China trade truce
- Oil held gains near a two-month high as investors assess signs of slowing growth in US production against mixed signals on output from the Opec+ coalition

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 608 crore on January 16, 2019
- FIIs have been net sellers of the more than ₹ 1826 crore in January 2019

## Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% ) change	
					OI	Vol
January	71.24	0.21	1356622	1674370	0.61	-20.11
February	71.44	0.19	540720	192648	-0.68	-36.50
Jan-Feb	-0.20	-	-	1481722	-	88.49
Feb -Mar	-0.21	-	-	154131	-	80.01

- The dollar-rupee January contract on the NSE was at 71.24 in the previous session. January contract open interest increased marginally by 0.6% in the previous session
- We expect the US\$INR to find supports at lower levels. Utilise downsides in the pair to initiate long positions

## Pivot levels

Futures	Pivot	S1	S2	R1	R2
US\$INR (Jan)	71.22	71.12	71.00	71.34	71.45
US\$INR (Feb)	71.43	71.32	71.20	71.55	71.66
EURINR (Jan)	81.26	81.15	81.00	81.41	81.52
EURINR (Feb)	81.66	81.56	81.41	81.81	81.92
GBPINR (Jan)	92.29	92.05	91.82	92.52	92.76
GBPINR (Feb)	92.64	92.35	92.03	92.96	93.25
JPYINR (Jan)	65.15	65.00	64.86	65.29	65.44
JPYINR (Feb)	65.42	65.29	65.14	65.57	65.70

## US\$INR Strategy

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

Buy US\$ in the range of 71.10 -71.14

Market Lot: US\$1000

Target: 71.50 / 71.60

Stop Loss: 70.95

Support

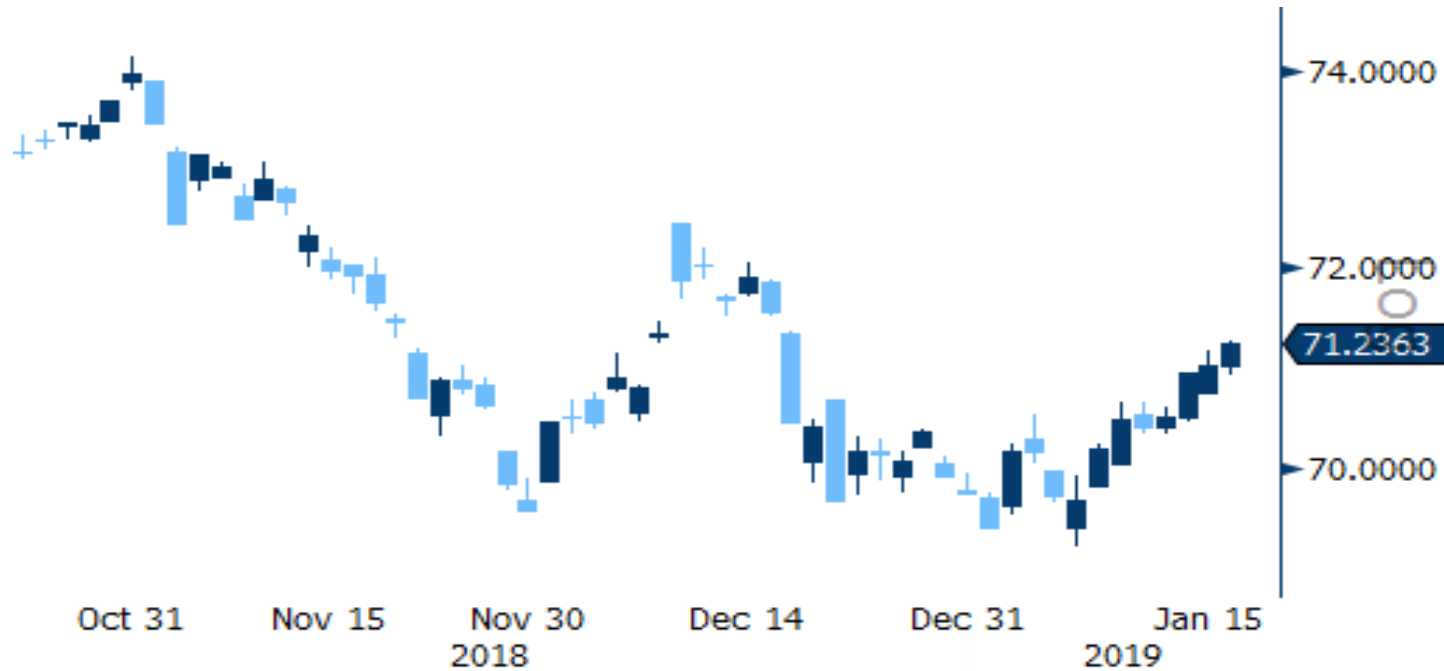
Resistance

S1/ S2: 70.90 / 70.70

R1/R2:71.50 /71.60

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

## US\$INR Spot



INR Curncy (Indian Rupee Spot) US\$INR Spot Daily 28MAY2016-17JAN2019 Copyright© 2019 Bloomberg Finance L.P.  
17-Jan-2019 08:26:24

### Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
18-Jan-19	US\$INR	Buy future	71.10	71.50	70.95	0	Not initiated

# Open Recommendations

Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
1/9/2019	US\$INR	Monthly currency	Sell US\$Inr	70.60	69.60	71.55	1 month

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