

April 22, 2019

Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	April futures	Buy	69.60	69.90	69.43	1 day

Other Product offerings

Monthly Currency and
Thematic reports

Currency	Action
US\$INR	Buy

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Spot Currency

Currency	Close	Pvs. Close	% Change
US\$INR	69.36	69.61	-0.36
Dollar index	97.38	97.47	-0.10
EUR-US\$	1.1245	1.1230	0.13
GBP-US\$	1.2993	1.2991	0.02
US\$-JPY	111.92	111.97	-0.04
AUD-US\$	0.7152	0.7151	0.01
US\$-CHF	1.0146	1.0154	-0.08

Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	26560	26450	0.42
Nasdaq	7690	7681	0.12
FTSE	7460	7471	-0.15
DAX	12222	12153	0.57
HangSang	29963	30125	-0.05
Nikkei	22228	22201	0.12
SGX Nifty	11787	11808	-0.18

*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee reversed its losing streak on Thursday appreciating by almost 25 paise in a truncated week, supported by domestic equities which are trading near life highs. However it is expected to open lower today and further weaken amidst sharp surge in oil prices as well as gains in US\$
- The US\$ rose on the back of a jump in U.S. retail sales data for March. It registered a growth of 1.6% against previous contraction 0.2%. As such Dollar index managed to close comfortably above 97.0 levels. Major currencies like Euro and GBP declined while JPY managed to hold gains. Next US GDP data for Q1 2019 will be in focus in backdrop of global growth concerns seen recently

- Equity benchmarks gained over 1% for the week as they closed at record highs during last week led by continued buying from foreign investors and optimism from Q4FY19 earnings. Nifty settled at 11750, up 1% for the week
- Broader markets relatively underperformed as the Nifty midcap and small cap index declined ~0.5% and 1% respectively

Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.42	7.39	0.39
US 10-yr	2.56	2.59	-1.33
Eur 10-yr	0.03	0.08	-68.75
UK 10-yr	1.20	1.24	-3.16
JPY 10-yr	-0.03	-0.01	400.00

Commodities

	Close	pvs close	% change
Gold	1276	1276	-0.02
Copper	292.0	296.8	-1.60
Brent	72.0	71.6	0.49

FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	4131	3745	386
Debt	999	1009	-10

- Sovereign benchmark treasury yields rose to 7.42% on Thursday. Strong oil prices as well as outflows seen in domestic markets in April is weighing domestic debt
- US treasury yields fell 3 bps to end at 2.56%. Yields declined overlooking higher retail growth amidst global economic growth as well as domestic political concerns

- Gold settled unchanged as cool off in US yields supports non-interest paying asset. Near term move in US\$ likely to be key trigger for Gold
- Oil has posted a fourth consecutive weekly gain as supply cuts by OPEC and a drawdown of 1.39 mb against expectation of addition of 1.56 mb helped sustain gains. Currently it is trading higher as US is said to end Iran waivers after May 02 expiry

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 376 crore on April 15, 2019
- FIIs have been net sellers of more than ₹ 3546 crore in April 2019

Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(%) change	
					OI	Vol
April	69.49	-0.28	1373824	1807975	-0.28	-2.01
May	69.79	-0.28	696398	433372	16.90	13.89
Apr-May	-0.30	-	-	1374603	-	76.03
May-June	-0.21	-	-	408034	-	94.15

- The dollar-rupee April contract on the NSE was at 69.49 in the previous session. April contract open interest declined 0.28% 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 (Apr)	69.24	69.37	69.53	69.65	69.82
US\$INR (May)	69.54	69.67	69.83	69.95	70.11
EURINR (Apr)	77.85	78.08	78.42	78.64	78.98
EURINR (May)	78.37	78.57	78.87	79.07	79.38
GBPINR (Apr)	89.93	90.22	90.68	90.97	91.44
GBPINR (May)	90.50	90.75	91.15	91.40	91.80
JPYINR (Apr)	61.93	62.04	62.20	62.32	62.47
JPYINR (May)	62.32	62.43	62.57	62.68	62.82

US\$INR Strategy

US\$INR April futures contract (NSE)

Buy US\$ in the range of 69.57-69.63

Market Lot: US\$1000

Target: 69.85 / 69.95

Stop Loss: 69.43

Support

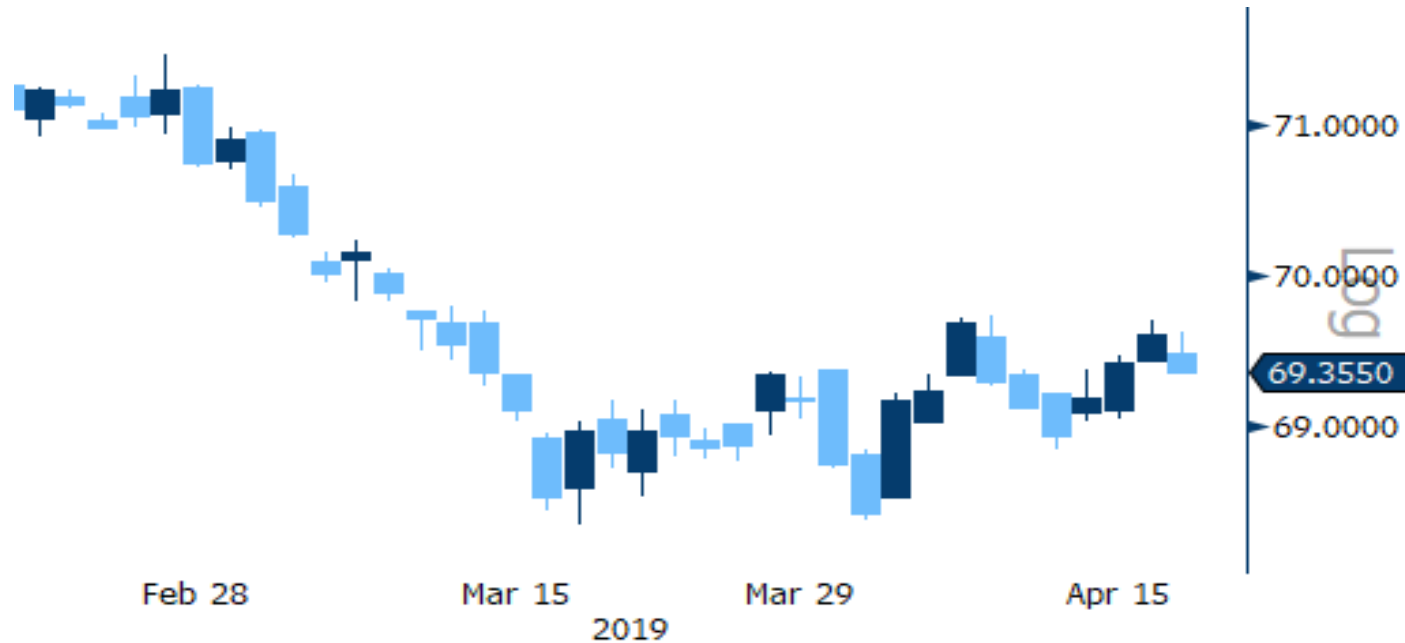
Resistance

S1/ S2: 69.50 / 69.35

R1/R2:69.70 /69.90

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

US\$INR Spot



INR Curncy (Indian Rupee Spot) US\$INR Spot Daily 25MAR2018-22APR2019 Copyright© 2019 Bloomberg Finance L.P. 22-Apr-2019 08:05:09

Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
18-Apr-19	US\$INR	Buy US\$INR	69.55	69.72	69.42	110	Exit in profit

Open Recommendations

Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
11/4/2019	US\$INR	Monthly currency	Buy US\$INR April future	69.10	70.10	68.30	Till April expiry
15/04/2019	US\$INR	US\$INR Option strategy	Sell US\$INR 69.50 Put	0.35	0.10	0.49	Till April expiry

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