

February 15, 2019

## Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	February futures	Buy	71.18	71.45	71.02	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	71.16	70.81	0.50
Dollar index	96.98	97.13	-0.16
EUR-US\$	1.1295	1.1261	0.30
GBP-US\$	1.2803	1.2846	-0.33
US\$-JPY	110.48	111.01	-0.48
AUD-US\$	0.7106	0.7090	0.23
US\$-CHF	1.0049	1.0092	-0.43

## Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	25439	25543	-0.41
Nasdaq	7022	7016	0.09
FTSE	7197	7191	0.09
DAX	11090	11167	-0.69
HangSang	28034	28432	-1.40
Nikkei	20909	21140	-1.09
SGX Nifty	10791	10793	-0.02

\*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee extended losses on Thursday as strength in the US\$ as well as hit to risk sentiment weighed. It is expected to open weaker today. Risk of a geopolitical stand off between India and Pakistan could further weigh on the rupee
- The dollar index retraced slightly from 97.0 levels as a recovery in the Euro and JPY weighed. Signs of little progress over US-China trade talks would keep tariffs in focus. Any signs of tariffs getting imitated would support JPY amid safe haven buying while would weigh on US\$

- Equity benchmarks ended the session on a subdued note as the Nifty lost 48 points or 0.44% to settle at 10746
- Broader markets outperformed as Nifty midcap, small cap rose 0.6% respectively. As a result, market breadth turned flat

## Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.33	7.29	0.55
US 10-yr	2.65	2.70	-1.79
Eur 10-yr	0.10	0.12	-16.26
UK 10-yr	1.15	1.18	-2.71
JPY 10-yr	-0.01	-0.01	133.33

## Commodities

	Close	Pvs. Close	% Change
Gold	1313	1306	0.48
Copper	277.4	277.3	0.04
Brent	64.6	63.6	1.51

## FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	4565	5422	-856
Debt	3453	1598	1855

- Sovereign treasury yields rose 7.33% while muted global yields and lower inflation have kept yields in a range. Domestic retail inflation fell to 2.05% in January 2019, which could provide further space for RBI to cut rates
- US treasury yields declined to 2.65% while worsening global growth expectations could cap sharply rising yields. Incoming economic data remains important for further signals

- Gold rose as the US\$ declined yesterday. Weakness in the dollar would provide a key trigger for gold to rally higher
- Oil rose even as US weekly storage reported additions to stocks. Crude oil inventories rose by 3.63 mb against previous additions of 1.26 mb. Opec + efforts to counter weak demand growth is supporting oil at lower levels

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 998 crore on February 13, 2019
- FIIs have been net buyers of the more than ₹ 3609 crore in February 2019

## Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
February	71.21	0.36	1747041	1843315	0.52	-13.61
March	71.44	0.36	643446	206015	5.30	-24.74
Feb -Mar	-0.22	-	-	1637300	-	88.82
Mar-Apr	-0.28	-	-	185317	-	89.95

- The dollar-rupee February contract on the NSE was at 71.21 in the previous session. February contract open interest increased 0.52% 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 (Feb)	71.10	70.93	70.65	71.38	71.55
US\$INR (Mar)	71.34	71.19	70.93	71.59	71.74
EURINR (Feb)	80.30	80.14	79.87	80.57	80.73
EURINR (Mar)	80.73	80.57	80.31	80.99	81.14
GBPINR (Feb)	91.43	91.31	91.13	91.60	91.73
GBPINR (Mar)	91.84	91.72	91.55	92.01	92.14
JPYINR (Feb)	64.12	63.98	63.76	64.33	64.47
JPYINR (Mar)	64.44	64.30	64.10	64.64	64.77

## US\$INR Strategy

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

Buy US\$ in the range of 71.15 -71.21

Market Lot: US\$1000

Target: 71.40 / 71.50

Stop Loss: 71.02

Support

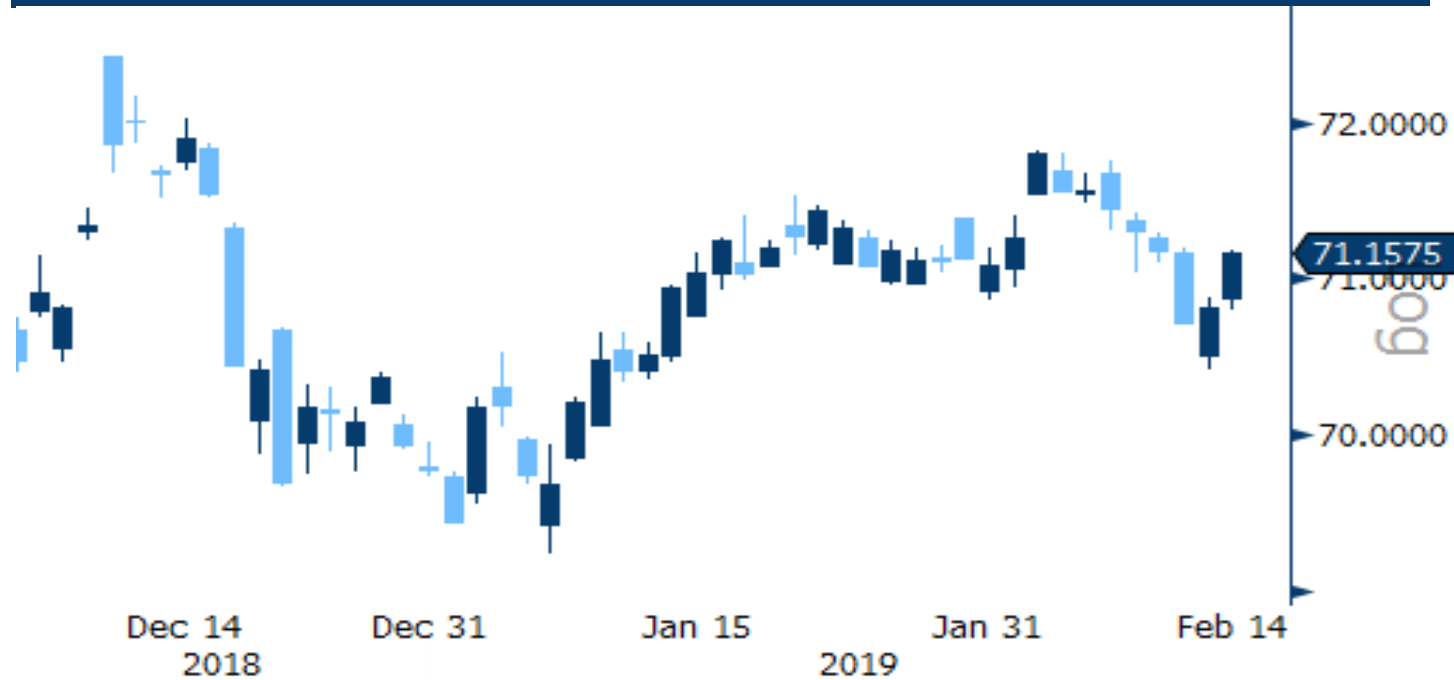
Resistance

S1/ S2: 71.20 / 71.1

R1/R2:71.45 /71.55

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

## US\$INR Spot



INR Curncy (Indian Rupee Spot) US\$INR Spot Daily 28MAY2016-15FEB2019 Copyright© 2019 Bloomberg Finance L.P. 15-Feb-2019 08:14:25

### Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
14-Feb-19	US\$INR	Buy future	70.99	71.15	70.85	140	Exit in profit

# Open Recommendations



Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
6/2/2019	US\$INR	Positional Currency	Bear Put Strategy	0.35	1.00	0.00	Till Feb expiry

[Back...](#)



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