

November 26, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	December futures	Sell	74.22	73.90	74.35	1 day

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Currency

Currency	Close	Pvs. Close	% Change
US\$-INR	73.91	74.26	-0.35
EUR-INR	87.95	87.71	0.24
GBP-INR	98.74	97.96	0.78
JPY-INR (Future)	70.80	71.20	-0.40

- On the back of the November series expiry, the US\$INR settled below 74 levels. Positive inflows continued, helping the rupee to appreciate further
- Ahead of the key data, the Dollar index reached 92 levels. Risk appetite put the dollar under extra pressure. FOMC and initial claims triggered further volatility

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.89	5.88	0.15
India 2 Year	3.89	4.02	-3.09
US 10 Year	0.88	0.83	6.90
US 2 Year	0.16	0.17	-1.82
Germany 10 Year	-0.57	-0.57	-1.05

- Broader markets witnessed profit taking action across sectors despite positive global cues. On the options front, aggressive writing was witnessed in 13000 Call strike that should be immediate hurdle on the upsides
- The Bank Nifty opened higher and rapidly succumbed to a bout of selling, following profit taking after a recent rally was seen in private banks. IVs rose along with significant OI addition in 29500 and 29800 Call strikes indicating limited upside. However, on the downside, 28500, 29000 Put strike holds significant OI that should act as support

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	13382	7856	5526
Debt	307	1063	-755
Net			4771

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 4771 crore on November 24, 2020. They bought worth ₹ 5526 crore in the equity market whereas they sold worth ₹ 755 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Dec	74.16	-0.18	1802289	1910339	25.18	0.08
Jan	74.37	-0.19	205870	110422	-79.00	-0.70
Dec-Jan	0.22	-	-	1799917	-	-0.78

- Positive inflows by FIIs and weakness in the Dollar index helped the rupee to appreciate and move towards the levels of 74. We feel the ongoing trend of the rupee is likely to continue
- The dollar-rupee December contract on the NSE was at 74.16 in the last session. The open interest rose 25.2% for the December series contract

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Dec)	73.99	74.07	74.16	74.25	74.34
US\$INR (Jan)	74.21	74.29	74.38	74.46	74.54
EURINR (Dec)	87.89	88.01	88.23	88.35	88.57
EURINR (Jan)	88.20	88.31	88.51	88.62	88.82
GBPINR (Dec)	98.23	98.46	98.85	99.08	99.47
GBPINR (Jan)	98.55	98.77	99.15	99.37	99.75
JPYINR (Dec)	70.83	70.90	70.99	71.06	71.15
JPYINR (Jan)	71.08	71.12	71.19	71.24	71.31

US\$INR Strategy

US\$INR DEC futures contract (NSE)

Sell US\$INR in the range of 74.20-74.25

Market Lot: US\$1000

Target: 74.05/ 73.90

Stop Loss: 74.35

Note: The given recommendation in this report is intraday and should not be linked with positional view & recommendations given in Monthly currency Derivatives and Positional Currency report which may have different view.



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