

July 30, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	August futures	Sell	75.03	74.80	75.15	1 day

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Spot Currency

Currency	Close	Pvs. Close	% Change
US\$-INR	74.80	74.82	-0.03
EUR-INR	88.12	87.75	0.42
GBP-INR	97.13	96.82	0.32
JPY-INR (Future)	71.33	71.13	0.28

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	5.83	5.85	-0.34
India 2 Year	4.22	4.24	-0.47
US 10 Year	0.57	0.58	-1.37
US 2 Year	0.13	0.14	-5.67
Germany 10 Year	-0.51	-0.52	-2.13

FII Activity

Segment	Purchase	Sell	Net Rs. crores
Equity	5801	5627	174
Debt	355	677	-322
Net			-148

Source: Bloomberg, ICICI Direct Research

- On the back of weakness in the Dollar Index and monthly expiry, the rupee gained 2 paise and ended near 74.8. We continue to feel the pair could trade in a range of 75.2 to 74.5 in the coming days

- The Dollar index continued to stay under pressure below 94 levels. However, some volatility can be seen as advanced trade deficit came in at \$70.64 billion in June

- The Nifty opened negative and saw a round of consolidation for a major part of the day amid high volatility. Sectorally, action was seen in BFSI, chemical and select FMCG stocks while profit booking was seen in technology and energy stocks

- The choppiness in banking stocks continued as the Bank Nifty again slipped from higher levels and ended with a loss of 0.33%. Most private banks witnessed a leg of profit booking

- Foreign institutional investors (FII) were net seller to the tune of ₹ 148 crore on July 27, 2020. They bought ₹ 174 crore in the equity market and sold ₹ 322 crore in the debt market. FIIs have bought close to ₹ 7789 crore in the July series as of now

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
Aug	74.95	0.14	1549878	1813670	40.59	17.79
Sep	75.17	0.15	206491	126549	-84.08	-88.49
Jul-Aug	-0.22	-	-	1687121	-	

- Volatility could be seen in the rupee and other EM currencies due to FOMC meet. However, choppiness is likely to continue near 75 levels and the pair could slip towards 74.5
- The dollar-rupee contract on the NSE was at 74.95 in the last session. The open interest rose 40.6% in the last session

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	74.68	74.81	75.05	75.19	75.43
US\$INR (Sep)	74.97	75.07	75.25	75.35	75.53
EURINR (Aug)	87.62	87.77	88.01	88.16	88.40
EURINR (Sep)	87.88	88.03	88.25	88.40	88.62
GBPINR (Aug)	96.52	96.81	97.05	97.34	97.57
GBPINR (Sep)	96.77	97.06	97.28	97.58	97.80
JPYINR (Aug)	71.08	71.21	71.40	71.53	71.72
JPYINR (Sep)	71.29	71.42	71.61	71.73	71.92

US\$INR Strategy

US\$INR Aug futures contract (NSE)

Sell US\$ in the range of 75.00-75.05	Market Lot: US\$1000
Target: 74.90/ 74.80	Stop Loss: 75..15
Support: 74.60/74.70	Resistance: 75.00/75.15

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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