

March 22, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	March futures	Sell	72.75	72.50	72.85	1 day

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INR Futures

Currency	Close	Pvs. Close	% Change
US\$-INR	72.51	72.54	-0.03
EUR-INR	86.11	86.41	-0.30
GBP-INR	100.31	100.68	-0.37
JPY-INR (Future)	66.73	66.63	0.10

- The rupee remained almost flat for the day after movement was seen on both sides. The rupee managed to appreciate almost 3 paise against the US dollar and ended near 72.51 levels
- The dollar index on Friday posted modest gains on higher-note yields. EUR/US\$ fell back slightly on concern about the third wave of Covid infections spreading through Europe

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.19	6.19	0.13
India 2 Year	4.70	4.80	-2.23
US 10 Year	1.68	1.66	1.08
US 2 Year	0.15	0.13	10.53
Germany 10 Year	-0.29	-0.32	-8.57

- The Nifty opened lower on the back of negative global cues but found support and recovered. Sectorally, FMCG and metal led the up move along with Reliance Industries while the realty space was the only exception, which closed in the red. According to options data, the highest Put base of 14500 strike is likely to keep downsides restricted
- On Friday, the Bank Nifty started the day on a weak note but overturned selling pressure and gained strength as the day progressed. Healthy buying was seen in PSU banks compared to private counterparts

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	8155	6840	1314
Debt	499	808	-309
Net			1005

- Foreign institutional investors (FII) remained net buyer to the tune of ₹ 1005 crore on March 18. They bought worth ₹ 1314 crore in the equity market and sold worth ₹ 309 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% change)	
					OI	Vol
Mar	72.58	-0.11	2446146	1681014	-0.32	10.01
Apr	72.99	-0.08	1140139	484394	13.21	11.33
Mar-Apr	0.41	-	-	1196620	-	

- The US\$INR pair continue to appreciate as the dollar index remained below 92. However, a rise in US yields would push the Dollar index above 92, which would move the US\$INR pair higher. However, a rise should be used to create fresh shorts
- The dollar-rupee March contract on the NSE was at ₹ 72.58 in the last session. The open interest fell by almost 0.32% for the March series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	72.42	72.50	72.63	72.72	72.85
US\$INR (Apr)	72.85	72.92	73.04	73.11	73.23
EURINR (Mar)	86.36	86.46	86.63	86.73	86.90
EURINR (Apr)	86.86	86.93	87.07	87.15	87.29
GBPINR (Mar)	100.90	101.03	101.25	101.38	101.60
GBPINR (Apr)	100.59	100.83	101.31	101.55	102.03
JPYINR (Mar)	66.57	66.64	66.75	66.82	66.93
JPYINR (Apr)	66.96	67.03	67.13	67.20	67.31

US\$INR Strategy

US\$INR Mar futures contract (NSE)

Sell US\$INR in the range of 72.72-72.75	Market Lot: US\$1000
Target: 72.60/ 72.50	Stop Loss: 72.85
Support: 72.50/72.40	Resistance: 73.20/73.40

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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ANALYST CERTIFICATION

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