

July 28, 2021

# Daily Currency outlook

## Recommendation in the report

| Currency Pair | Contract       | Action | Price | Target | Stoploss | Duration |
|---------------|----------------|--------|-------|--------|----------|----------|
| US\$INR       | August futures | Sell   | 74.80 | 74.50  | 74.95    | 1 day    |

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## Rupee Pairs

| Currency         | Close  | Pvs. Close | % Change |
|------------------|--------|------------|----------|
| US\$-INR         | 74.46  | 74.42      | 0.04     |
| EUR-INR          | 88.15  | 87.81      | 0.34     |
| GBP-INR          | 103.29 | 102.75     | 0.54     |
| JPY-INR (Future) | 67.62  | 68.21      | -0.59    |

- For a second day in a row, the intraday volatility in the rupee declined. It ended almost flat for the day. However, due to a sharp fall in domestic equities, it ended 4 paise lower at 74.46
- Due to mixed economic data, the Dollar index remained almost flat and consolidated below its three month's high. However, due to a sudden rise in Euro, the dollar is facing some hurdle to surpass its three month's high levels

## Global Bonds

| Indices         | Close | Pvs. Close | % Change |
|-----------------|-------|------------|----------|
| India 10 Year   | 6.18  | 6.17       | 0.15     |
| India 2 Year    | 4.23  | 4.23       | 0.14     |
| US 10 Year      | 1.24  | 1.28       | -2.89    |
| US 2 Year       | 0.21  | 0.21       | -1.84    |
| Germany 10 Year | -0.45 | -0.41      | -7.75    |

- On Tuesday, the Nifty tried to cross 15900 but faced resistance from Call writers as it reversed from higher levels. Except metals and PSU banks, all other indices closed in the red. Looking at options data, 15800 and 15900 Call writers continued to build aggressive positions at higher levels, which should act as immediate resistance
- The Bank Nifty opened higher but faced resistance from Call writers at higher levels at it closed with a loss of more than 0.41%

## FII & FPI Activities

| Segment | Purchase | Sell | Net Rs. crores |
|---------|----------|------|----------------|
| Equity  | 5743     | 7963 | -2220          |
| Debt    | 76       | 18   | 58             |
| Net     |          |      | -2162          |

- Foreign institutional investors (FII) turned net seller to the tune of ₹ 2162 crore on July 26. They sold worth ₹ 2220 crore in the equity market and bought worth ₹ 58 crore in the debt market

## US\$INR futures on NSE

| Contracts   | LTP   | chng (%) | OI      | Vol     | (% change) |       |
|-------------|-------|----------|---------|---------|------------|-------|
|             |       |          |         |         | OI         | Vol   |
| July        | 74.48 | 0.04     | 1004711 | 3168133 | -27.13     | 33.25 |
| August      | 74.72 | 0.04     | 1557727 | 187779  | 37.98      | 76.54 |
| July-August | 0.23  | -        | -       | 2980354 | -          |       |

- The US\$INR is likely to remain volatile due to July series settlement today. However, the August series is starting with huge premiums and selling is expected in August contract
- The dollar-rupee July contract on the NSE was at ₹ 74.48 in the last session. The open interest fell almost 27.1% for the July series

## Pivot levels

| Futures        | S2     | S1     | Pivot  | R1     | R2     |
|----------------|--------|--------|--------|--------|--------|
| US\$INR (July) | 74.30  | 74.38  | 74.46  | 74.54  | 74.62  |
| US\$INR (Aug)  | 74.58  | 74.63  | 74.70  | 74.76  | 74.83  |
| EURINR (July)  | 87.68  | 87.85  | 87.96  | 88.13  | 88.25  |
| EURINR (Aug)   | 87.84  | 88.05  | 88.31  | 88.52  | 88.77  |
| GBPINR (July)  | 101.87 | 102.06 | 102.37 | 102.56 | 102.87 |
| GBPINR (Aug)   | 101.61 | 102.08 | 102.94 | 103.41 | 104.27 |
| JPYINR (July)  | 67.33  | 67.45  | 67.57  | 67.69  | 67.81  |
| JPYINR (Aug)   | 67.38  | 67.62  | 67.97  | 68.21  | 68.56  |

## US\$INR Strategy

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

Sell US\$INR in the range of 74.80-74.84

Market Lot: US\$1000

Target: 74.70/ 74.50

Stop Loss: 74.95

Support: 74.20/74.40

Resistance: 74.90/75.10

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 may have different view.



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