

March 20, 2019

## Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	March futures	Buy	68.95	69.30	68.78	1 day

### Other Product offerings

Monthly Currency and  
Thematic reports

Currency	Action
-	-

[Click here...](#)

### Research Analysts

**Amit Gupta**

amit.gup@icicisecurities.com

**Gaurav Shah**

Gaurav.shah@icicisecurities.com

## Spot Currency

Currency	Close	Pvs. Close	% Change
US\$INR	68.96	68.53	0.62
Dollar index	96.38	96.52	-0.15
EUR-US\$	1.1352	1.1337	0.13
GBP-US\$	1.3268	1.3255	0.10
US\$-JPY	111.39	111.43	-0.04
AUD-US\$	0.7088	0.7104	-0.23
US\$-CHF	0.9992	1.0014	-0.22

## Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	25887	25914	-0.10
Nasdaq	7349	7326	0.31
FTSE	7324	7299	0.34
DAX	11788	11657	1.13
HangSang	29358	29466	-0.37
Nikkei	21532	21567	-0.16
SGX Nifty	11568	11576	-0.07

\*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee ended sharply lower yesterday, ending its six-day winning streak owing to caution ahead of the Fed's Monetary policy outcome. A gradual rise in crude oil price is negative for the rupee
- The dollar extended losses due to a recovery in major currencies. Market participants would be awaiting the outcome of today's FOMC policy. Any hints towards continuing the "patient approach" would maintain the risk on sentiment. A hawkish surprise would lead to profit booking in major currencies as well as dent risk on sentiment

- Equity benchmarks extended gains over a seventh consecutive session and settled on a buoyant note at 11532, up 70 points or 0.6%
- Broader markets outperformed as the Nifty midcap, small cap rose 0.7% and 1%, respectively. As a result, market breadth turned positive with A/D ratio of 1.1:1

## Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.38	7.32	0.79
US 10-yr	2.61	2.60	0.35
Eur 10-yr	0.10	0.08	16.87
UK 10-yr	1.19	1.20	-0.84
JPY 10-yr	-0.04	-0.04	14.29

## Commodities

	Close	Pvs. Close	% Change
Gold	1307	1304	0.22
Copper	292.0	290.4	0.55
Brent	67.6	67.5	0.10

## FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	6446	3943	2502
Debt	1332	402	930

- Sovereign benchmark treasury yields rose sharply to 7.38% amid a decline in the rupee as well as a gradual rise in crude oil prices. Domestic retail inflation for February rose to 2.57%
- US treasury yields rose to 2.61% while worsening global growth expectations could cap rising yields. Today's Fed monetary policy meeting would provide cues for yields in the near term

- Gold extended gains in the previous session owing to a reversal in the US\$. The current strength in the US\$ is weighing on gold's further rise. A move in the dollar and yields post today's Fed monetary policy meeting will provide fresh signals for gold
- Oil was up over 0.10% in the previous session. US weekly inventory is expected to show addition of 0.63 mb against the previous week's drawdown of 3.86 mb

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 3432 crore on March 18, 2019
- FIIs have been net buyers of more than ₹ 32723 crore in March 2019

## Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(% ) change	
					OI	Vol
March	69.05	0.62	1336679	2636858	-8.27	9.97
April	69.32	0.61	609545	593674	16.62	15.70
Mar-Apr	-0.27	-	-	2043184	-	77.49
Apr-May	-0.21	-	-	485444	-	81.77

- The dollar-rupee March contract on the NSE was at 69.05 in the previous session. March contract open interest declined 8.27% 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 (Mar)	68.73	68.41	68.19	68.95	69.27
US\$INR (Apr)	69.01	68.67	68.45	69.23	69.57
EURINR (Mar)	78.10	77.80	77.56	78.33	78.63
EURINR (Apr)	78.56	78.28	78.05	78.79	79.06
GBPINR (Mar)	91.32	90.64	90.19	91.77	92.45
GBPINR (Apr)	91.77	91.19	90.79	92.17	92.75
JPYINR (Mar)	61.73	61.45	61.26	61.92	62.19
JPYINR (Apr)	62.09	61.80	61.60	62.29	62.59

## US\$INR Strategy

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

Buy US\$ in the range of 68.92 -68.98

Market Lot: US\$1000

Target: 69.25 / 69.35

Stop Loss: 68.78

Support

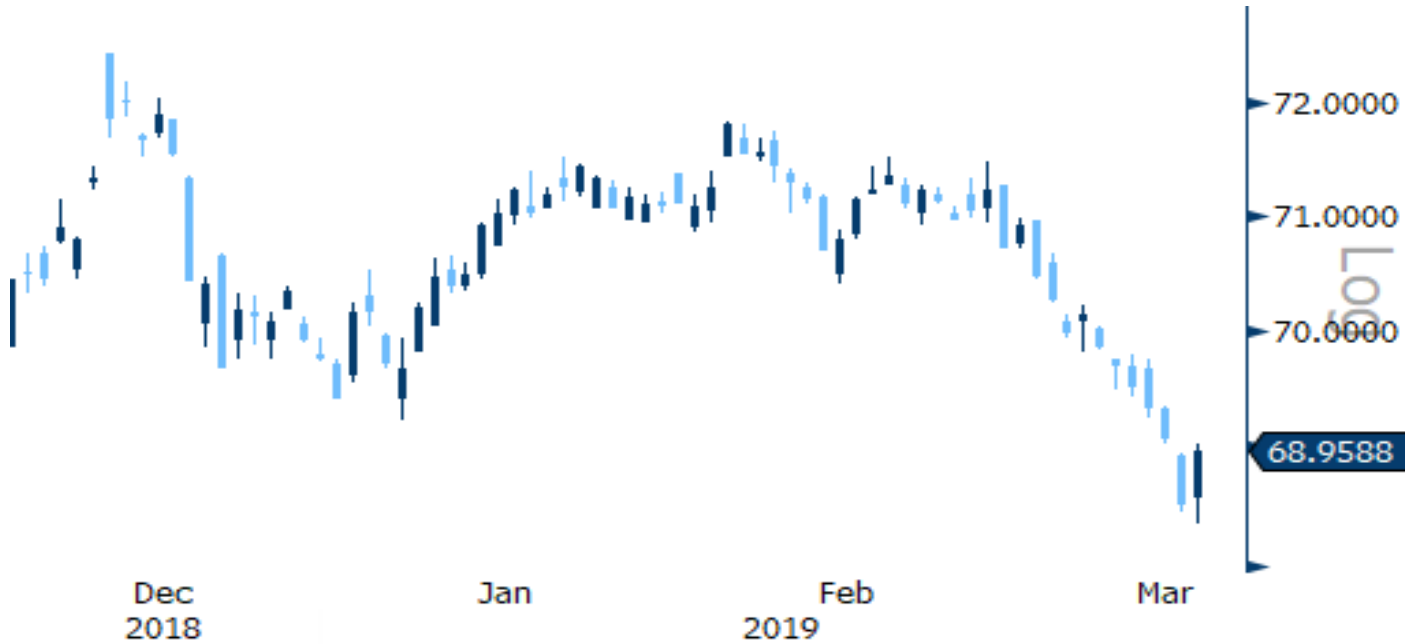
Resistance

S1/ S2: 68.90 / 68.70

R1/R2:69.15 /69.30

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

## US\$INR Spot



INR Curncy (Indian Rupee Spot) US\$INR Spot Daily 08DEC2018-20MAR2019 Copyright© 2019 Bloomberg Finance L.P. 20-Mar-2019 08:00:50

### Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
19-Mar-19	US\$INR	Buy US\$INR	68.95	69.15	68.84	100	Exit in profit

# Open Recommendations



Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
-	-	-	-	-	-	-	-

[Back...](#)



---

Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto:pankaj.pandey@icicisecurities.com)

ICICI Direct Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruvi Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
[research@icicidirect.com](mailto:research@icicidirect.com)

---

# DISCLAIMER

Disclaimer: ICICI securities Limited Sebi Registration is INZ000183631 for stock broker. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Limited.. The author may be holding a small number of shares/position in the above-referred companies as on date of release of this report. ICICI Securities Services Ltd (I-Sec) may be holding a small number of shares/ an open position in the above referred companies as on the date of release of this report." This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgement by any recipient. The recipient should independently evaluate the investment risks. ICICI Securities Ltd and affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. ICICI Securities Ltd may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities Ltd and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com). It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.