

April 24, 2019

Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	April futures	Buy	69.75	70.05	69.58	1 day

Other Product offerings

Monthly Currency and
Thematic reports

Currency	Action
US\$INR	Buy

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Spot Currency

Currency	Close	Pvs. Close	% Change
US\$INR	69.63	69.67	-0.06
Dollar index	97.64	97.29	0.36
EUR-US\$	1.1227	1.1257	-0.27
GBP-US\$	1.2938	1.2982	-0.34
US\$-JPY	111.86	111.94	-0.07
AUD-US\$	0.7102	0.7134	-0.45
US\$-CHF	1.0203	1.0154	0.48

Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	26656	26511	0.55
Nasdaq	7811	7713	1.26
FTSE	7523	7460	0.85
DAX	12236	12222	0.11
HangSang	29874	29963	-0.30
Nikkei	22254	22260	-0.02
SGX Nifty	11606	11595	0.09

*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee ended mildly higher at 69.63 yesterday witnessing some intra-day volatility as RBI concluded its second \$5-bn Buy-Sell swap. Rupee is expected to open weaker today as US\$ has jumped overnight against most of major currencies
- Dollar index ended stronger testing highest levels since June 2017, tracking strong housing data as well weakness in major currencies. US-China are expected to resume trade talks next week. Market continues to consider this as a move in a positive direction which is supporting dollar. US March new homes sales jumped to 692000 units, which is highest since December 2017

- Equity benchmark extended breather over third consecutive session as Nifty slid 19 points or 0.2%, to end the session at 11576
- Broader markets seen mixed bag of performance as the Nifty midcap rose 0.1% while small cap indices shed 0.6%

Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.47	7.48	-0.01
US 10-yr	2.57	2.59	-0.91
Eur 10-yr	0.04	0.03	64.00
UK 10-yr	1.23	1.20	2.51
JPY 10-yr	-0.03	-0.03	-9.68

Commodities

	Close	pvs close	% change
Gold	1272	1275	-0.20
Copper	289.4	290.2	-0.28
Brent	74.5	74.0	0.63

FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	2660	2552	108
Debt	111	347	-237

- Sovereign benchmark treasury yields were slightly lower at 7.47% on Tuesday. Strong oil prices as well as outflows seen in domestic markets in April are weighing on domestic debt
- US treasury yields fell 2 bps to end at 2.57%. Yields remain in a range awaiting further economic data. US New home sales for March jumped to 692000 units, which is highest since December 2017

- Gold settled slightly lower tracking strength in equities and dollar. Near term move in US\$ likely to be key trigger for gold
- Oil rose to end with gains of 0.60% amidst news of US likely to end Iran oil waivers. Weekly US stocks report is likely to show addition of 0.49 mb against previous week's drawdown of 1.39 mb

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 129 crore on April 23, 2019
- FIIs have been net sellers of more than ₹ 2178 crore in April 2019

Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(%) change	
					OI	Vol
April	69.73	0.03	1284586	1958052	-12.80	13.70
May	70.06	0.05	947320	643578	11.77	-5.30
Apr-May	-0.33	-	-	1314474	-	67.13
May-June	-0.21	-	-	605143	-	94.03

- The dollar-rupee April contract on the NSE was at 69.73 in the previous session. April contract open interest declined 12.80% in the previous session
- We expect the US\$INR to find supports at lower levels. Utilise the downsides in the pair to initiate long positions

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	69.44	69.58	69.75	69.89	70.06
US\$INR (May)	69.76	69.91	70.06	70.21	70.37
EURINR (Apr)	78.20	78.35	78.55	78.70	78.90
EURINR (May)	78.70	78.85	79.03	79.18	79.35
GBPINR (Apr)	90.25	90.50	90.73	90.98	91.22
GBPINR (May)	90.69	90.97	91.23	91.51	91.77
JPYINR (Apr)	62.17	62.28	62.41	62.53	62.66
JPYINR (May)	62.54	62.65	62.77	62.88	63.00

US\$INR Strategy

US\$INR April futures contract (NSE)

Buy US\$ in the range of 69.73-69.77

Market Lot: US\$1000

Target: 70.0 / 70.10

Stop Loss: 69.58

Support

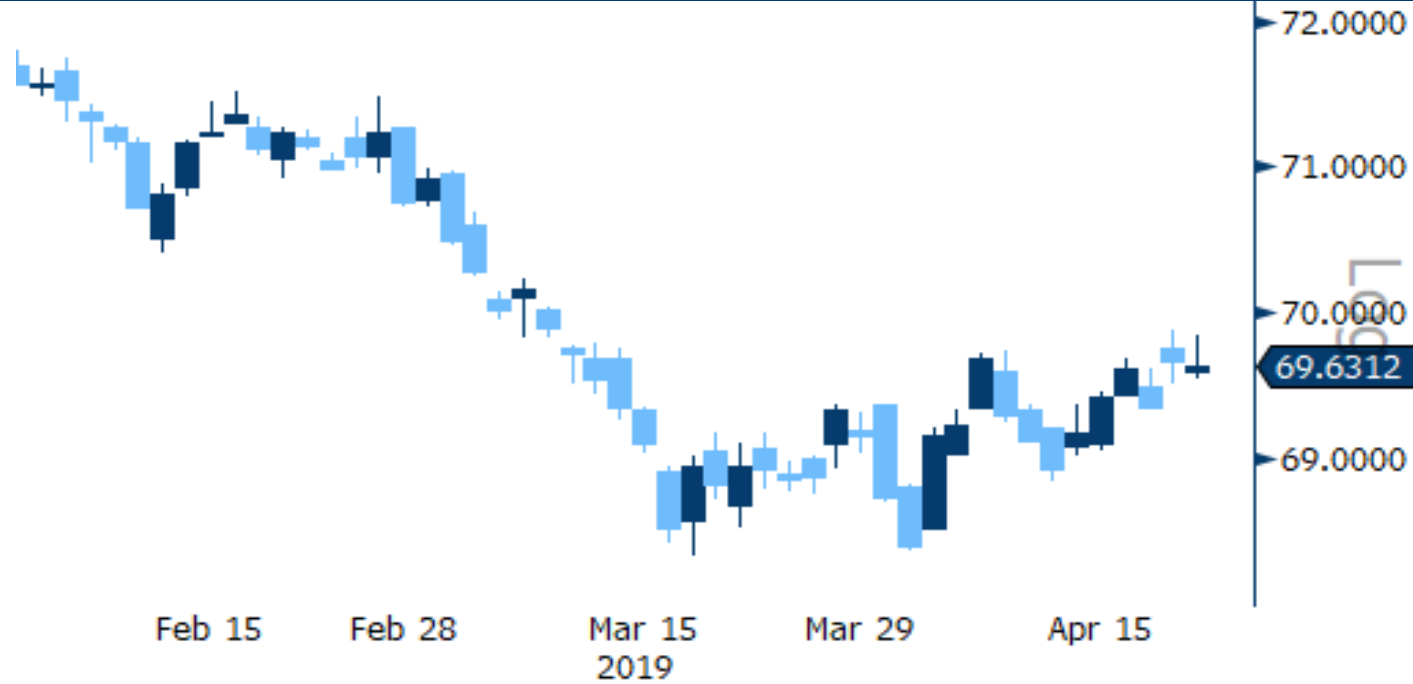
Resistance

S1/ S2: 69.70 / 69.55

R1/R2:69.90 /70.05

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

US\$INR Spot



INR Currency (Indian Rupee Spot) US\$INR Spot Daily 25MAR2018-24APR2019 Copyright© 2019 Bloomberg Finance L.P.
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Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
23-Apr-19	US\$INR	Sell US\$INR	69.80	69.50	69.98	0	Not initiated

Open Recommendations



Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
11-04-2019	US\$INR	Monthly currency	Buy US\$INR April future	69.10	70.10	68.30	Till April expiry

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