

June 11, 2019

Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	June futures	Buy	69.58	69.90	69.42	1 day

Other Product offerings

Monthly Currency and
Thematic reports

Currency	Action
US\$INR	Sell

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Spot Currency

Currency	Close	Pvs. Close	% Change
US\$-INR	69.65	69.47	0.26
Dollar index	96.76	96.54	0.22
EUR-US\$	1.1312	1.1334	-0.19
GBP-US\$	1.2685	1.2737	-0.41
US\$-CNY	6.9311	6.9098	0.31
US\$-JPY	108.45	108.19	0.24
US\$-CHF	0.9898	0.9877	0.21

Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	26063	25984	0.30
S & P 500	2887	2873	0.47
FTSE	7376	7332	0.59
DAX	12045	11953	0.77
HangSang	27732	27579	0.55
Nikkei	21186	21134	0.24
SGX Nifty	11964	11942	0.19

*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee extended losses of almost 18-paise vs. the US\$ spooked by depreciation in the Chinese Yuan. It is expected to open mildly higher today while moves in the CNY remain crucial triggers for EM currencies in the backdrop of consolidation seen in the dollar
- The Dollar Index was slightly higher against major currencies on the back of profit booking as well as some recovery in US yields. For EM currencies, Chinese Yuan move remains a key factor. Currently, it is trading near 6.91. However, as trade tensions continue to simmer, a move towards 7 cannot be ruled out. In that scenario, all EM currencies, including the rupee, may see some depreciation

- For the week, equity benchmarks opened on a positive note amid elevated volatility. The Nifty ended the session at 11923, up 52 points or 0.4%
- Broader markets underperformed as Nifty Midcap remained unchanged while small cap lost 0.5%. The market breadth turned in favour of declines with A/D ratio of 1:1.6 underpinned by below average turnover of ₹ 27000 crore

Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	7.08	6.97	1.48
US 10-yr	2.15	2.08	3.24
Eur 10-yr	-0.22	-0.26	-14.79
UK 10-yr	0.84	0.81	3.20
JPY 10-yr	-0.12	-0.12	-0.83

Commodities

	Close	pvs close	% change
Gold	1328	1341	-0.96
Copper	266.2	262.8	1.29
Brent	62.3	63.3	-1.58

FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	3030	3415	-385
Debt	2789	596	2193
Net			1808

- Sovereign benchmark treasury yields rose to 7.08% tracking mild gains in oil prices and concerns over monsoon. Also, market participants would remain cautious ahead of the domestic budget
- US treasury yields jumped to 2.15% yesterday as sentiments improved due to Mexico tariff relief. Investors are pricing in a higher probability of a rate cut in the July 2019 policy meeting

- Gold witnessed profit booking of over 0.90% as risk sentiment improved. A near term weakness in the US\$ is likely to be a key boost for gold amid safe haven buying
- Oil declined over 1.55% yesterday ahead of weekly inventory report. EIA report is likely to witness a drawdown of almost 0.96 mb against the previous week's addition of 0.67 mb

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 1808 crore on June 7, 2019
- FIIs have been net buyers of more than ₹ 5989 crore in June 2019

Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(%) change	
					OI	Vol
June	69.77	0.24	1488981	1259201	-3.51	-16.99
July	70.01	0.24	329857	165315	8.78	16.88
June - July	-0.25	-	-	1093886	-	86.87
July - August	-0.22	-	-	156393	-	94.60

- The dollar-rupee June contract on the NSE was at 69.77 in the previous session. June contract open interest declined 3.51% 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 (June)	69.41	69.59	69.69	69.87	69.97
US\$INR (July)	69.66	69.84	69.94	70.11	70.21
EURINR (June)	78.54	78.75	78.88	79.09	79.22
EURINR (July)	78.83	79.12	79.29	79.58	79.74
GBPINR (June)	88.27	88.38	88.54	88.65	88.81
GBPINR (July)	88.73	88.83	88.97	89.07	89.22
JPYINR (June)	63.97	64.12	64.20	64.36	64.44
JPYINR (July)	64.33	64.47	64.55	64.69	64.77

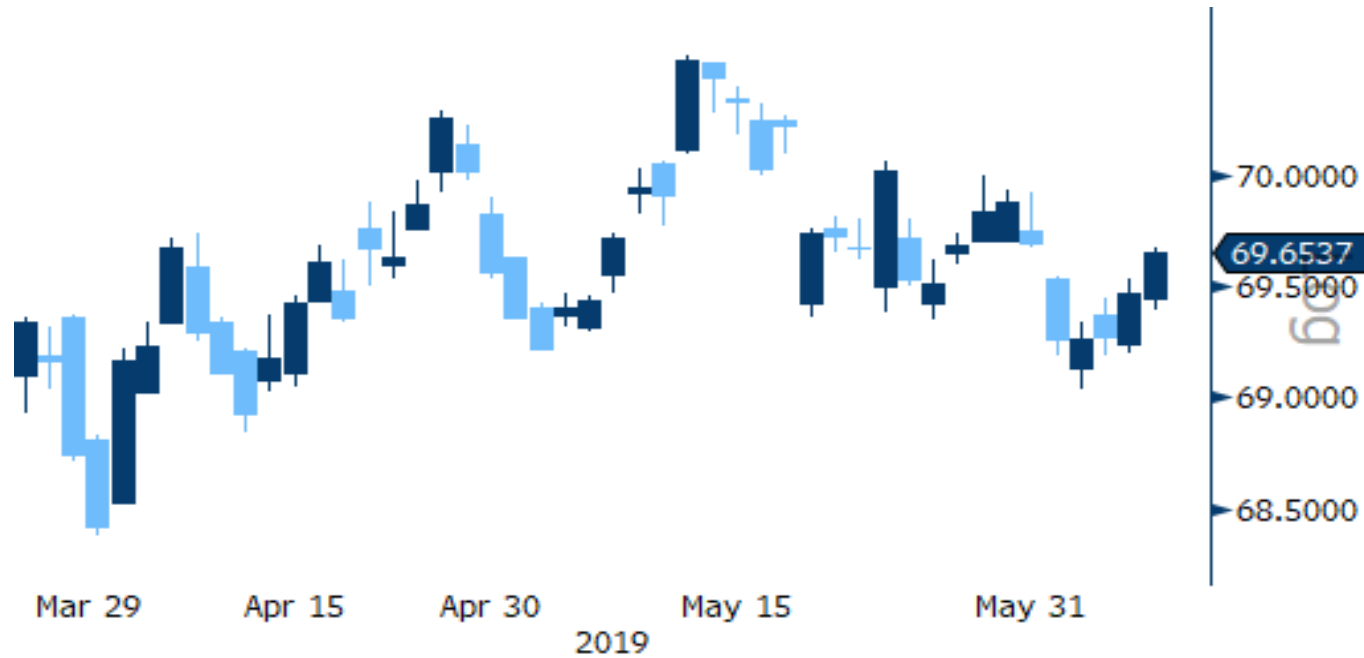
US\$INR Strategy

US\$INR June futures contract (NSE)

Buy US\$ in the range of 69.54 -69.62	Market Lot: US\$1000
Target: 69.85 / 69.95	Stop Loss: 69.42
Support	Resistance
S1/ S2: 69.65 / 69.50	R1/R2:69.85 / 69.95

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

US\$INR Spot



INR Curncy (Indian Rupee Spot) US\$INR Spot Daily 25MAR2018-11JUN2019 Copyright© 2019 Bloomberg Finance L.P.
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Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
10-Jun-19	US\$INR	Sell US\$INR	69.65	69.53	69.76	-110	Exit in loss

Open Recommendations



Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
6/4/2019	US\$INR	Positional Currency	Bear Put strategy	0.42	1.00	0.04	Till June expiry

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