

October 9, 2019

Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	October futures	Buy	71.05	71.35	70.87	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	71.02	70.88	0.20
Dollar index	99.13	98.97	0.17
EUR-US\$	1.0957	1.0971	-0.13
GBP-US\$	1.2219	1.2293	-0.60
US\$-CNY	7.1400	7.1400	0.00
US\$-JPY	107.09	107.26	-0.16
US\$-CHF	0.9927	0.9948	-0.21

- The rupee ended lower on Monday amid caution ahead of a trading holiday as well as strength in the US\$. It is likely to open slightly higher today tracking a slump in oil prices while strength in the dollar could cap a sharp appreciation in the rupee
- The US\$ index ended on a higher note above 99.13 levels as deepening uncertainty over Brexit is weighing on Euro and GBP. Even as UK's separation date from EU bloc is October 31, the clarity or likelihood of a "Exit deal" is as uncertain as ever. EM currencies remain ranged bound even as the Chinese markets remains closed due to national holidays. A move in CNY post the holiday season is likely to provide cues to EM currencies, including the rupee

Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	26164	26478	-1.19
S & P 500	2893	2939	-1.56
FTSE	7143	7198	-0.76
DAX	11970	11925	0.38
HangSang	25800	25893	-0.36
Nikkei	21423	21588	-0.76
SGX Nifty	11137	11097	0.36

- Equity benchmarks extended losses over a sixth consecutive session as the Nifty slid 0.4% to settle at 11126
- Market breadth remained negative with A/D ratio of 1:2

*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	6.68	6.69	-0.19
US 10-yr	1.53	1.56	-1.87
Eur 10-yr	-0.59	-0.58	3.30
UK 10-yr	0.42	0.45	-7.76
JPY 10 yr	-0.20	-0.22	-9.46

Commodities

	Close	pvs close	% change
Gold	1506	1494	0.80
Copper	256.9	257.7	-0.33
Brent	58.2	58.4	-0.19

FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	5130	6008	-878
Debt	1842	1069	773
Net			-105

- Domestic benchmark 10-year yields ended lower at 6.68% on Monday. The RBI cut the policy rate by 25 bps and affirmed its commitment to remain accommodative to address growth concerns 'as long as necessary'
- The US 10-year benchmark yield fell to 1.53% yesterday. US-China trade worries on top of Brexit uncertainty is weighing on yields

- Gold closed higher tracking a cool off in global yields as well as fragile risk sentiment. Brexit uncertainty and US-China trade worries are likely to provide support to gold
- Brent oil closed slightly lower at \$58.2/bl and has dipped below the levels before the terrorist attacks damaged Saudi oil facility. US agency EIA is likely to show additions of almost 1.71 mb in its weekly oil inventory report

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 105 crore on October 4, 2019
- FIIs have been net sellers of more than ₹ 3401 crore in October 2019

Currency futures on NSE

Contracts	LTP	chnng (%)	OI	Vol	(%) change	
					OI	Vol
October	71.18	0.14	1618270	974677	-0.93	-52.07
November	71.38	0.13	337279	151291	8.30	-46.25
Oct-Nov	-0.20	-	-	823386	-	84.48
Nov-Dec	-0.22	-	-	134810	-	89.11

- The dollar-rupee October contract on the NSE was at 71.18 in the previous session. Open interest declined 0.93% in the previous session
- We expect the US\$INR to find support at lower levels. Utilise downsides in the pair to initiate long positions

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	70.99	71.08	71.18	71.27	71.37
US\$INR (Nov)	71.20	71.29	71.38	71.47	71.56
EURINR (Oct)	78.04	78.18	78.27	78.41	78.50
EURINR (Nov)	78.41	78.54	78.64	78.77	78.86
GBPINR (Oct)	87.38	87.58	87.72	87.91	88.06
GBPINR (Nov)	87.66	87.90	88.05	88.28	88.44
JPYINR (Oct)	66.44	66.56	66.68	66.79	66.92
JPYINR (Nov)	66.78	66.88	66.97	67.06	67.16

US\$INR Strategy

US\$INR October futures contract (NSE)

Buy US\$ in the range of 71.02 -71.06	Market Lot: US\$1000
Target: 71.30 / 71.40	Stop Loss: 70.87
Support	Resistance
S1/ S2: 71.05 / 70.90	R1/R2:71.25 / 71.40

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

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.

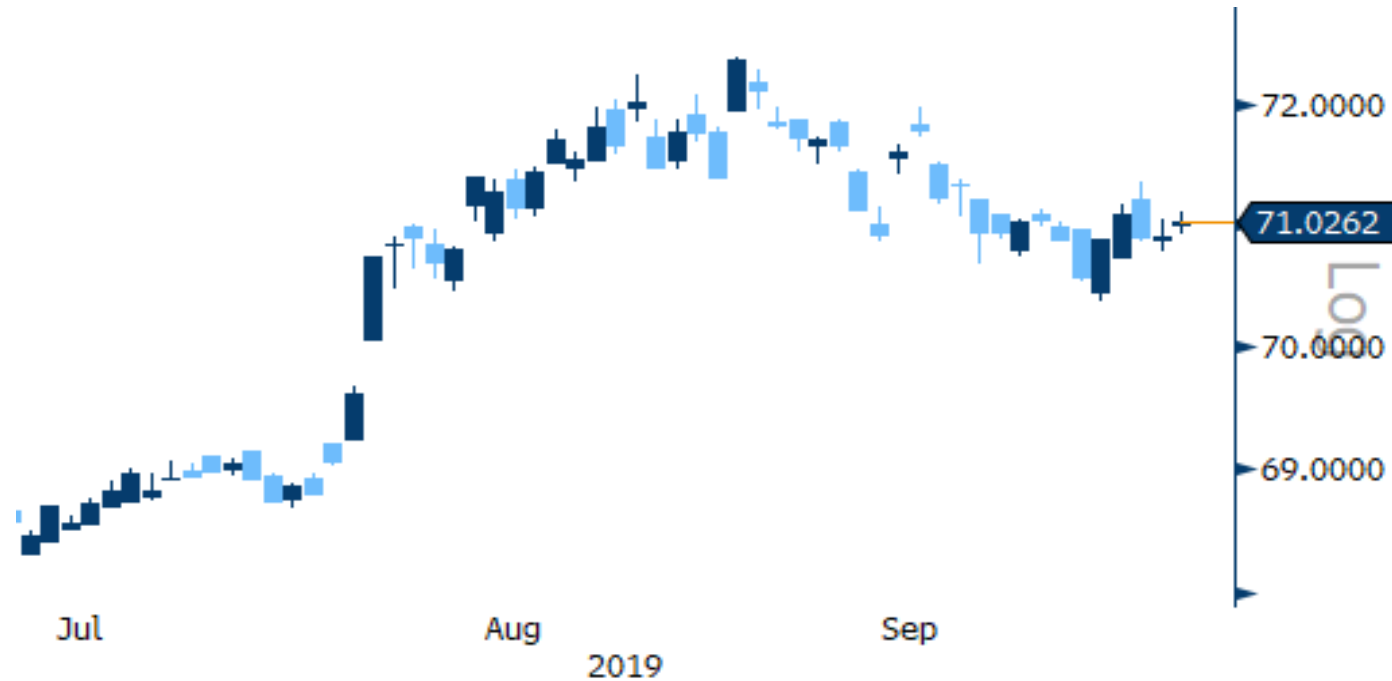
Open Recommendations



Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
9/30/2019	US\$INR	Positional Currency	Buy US\$INR Oct future	71.07	71.80	70.55	Till Oct expiry

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US\$INR Spot



INR Currency (Indian Rupee Spot) US\$INR Spot Daily 13MAR2019-09OCT2019 Copyright© 2019 Bloomberg Finance L.P. 09-Oct-2019 08:19:32

Strategy update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
7-Oct-19	US\$INR	Buy US\$INR	70.95	71.30	70.80	0	Not Initiated



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