# **CURRENCY CORNER**



A weekly snapshot

8th August, 2020

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Policy Repo Rate and Reverse Repo Rate

4.00% &3.35%

Bond Yield 10 Year Rate

5.88 (+0.86%)

SPOT SECTION

<u>USD-INR</u>	GBP-INR	EUR-INR	JPY-INR
74.93(+ <b>0.17%</b> )	98.12( <b>-0.02%</b> )	88.64( <b>-0.17%</b> )	71.48( <b>-0.77%</b> )

#### HALT IN U.S STIMULUS PACKAGE COULD DENT INVESTOR'S SENTIMENTS

In the past week, United States struggles to sanction the stimulus package while on the other hand Virus Export Dr. Anthony Fauci believes that vaccines may not have a long lasting effect. Looking at the Europe, some good news with PMI data returns to modest growth with retails sales reaching pre-covid levels. In the Asian continent, Indian RBI maintains the repo rate to the current levels while continuing the accommodating stance while China faces global retaliation and a fear of new virus spread in Mainland China. Looking at the current situation the international markets are likely to remain volatile and investors should trade cautiously. The Call and Put option contracts in USD-INR of strike price Rs. 75.00 were most active.

USD INR					
Contract	Rate	High	Low	Change	Turnover Cr.
27 <sup>th</sup> Aug.	75.11	75.49	74.85	0.013	57561.46
28 <sup>h</sup> Sept.	75.33	75.70	75.14	-0.005	4695.69
27 <sup>h</sup> Oct.	75.54	75.91	75.36	0.000	497.68

EUR INR					
Contract	Rate	High	Low	Change	Turnover Cr.
27 <sup>th</sup> Aug.	88.76	89.29	88.28	0.47	9485.57
28 <sup>h</sup> Sept.	89.04	89.54	88.40	0.54	635.37
27 <sup>h</sup> Oct.	89.29	89.77	88.63	0.66	105.80

## **CURRENCY**₹**STATISTICS**

GBP INR					
Contract	Rate	High	Low	Change	Turnover Cr.
27 <sup>th</sup> Aug.	98.22	99.00	97.98	-0.16	11802.93
28 <sup>h</sup> Sept.	98.47	99.26	98.24	-0.02	532.85
27 <sup>h</sup> Oct.	98.69	99.49	98.45	-0.16	91.93

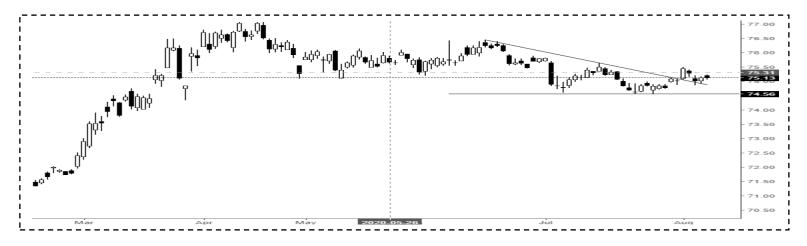
JPY INR					
Contract	Rate	High	Low	Change	Turnover Cr.
27 <sup>th</sup> Aug.	71.09	71.31	70.82	0.05	1730.86
28 <sup>h</sup> Sept.	71.31	71.53	71.05	-0.09	67.73
27 <sup>h</sup> Oct.	71.49	71.73	66.10	-0.02	3.38



#### **UPCOMING INTERNATIONAL EVENTS**

DATE	EVENT	SIGNIFICANCE	
11 <sup>th</sup> Aug.	British Employment Data	High(GBP-INR)	
11 <sup>th</sup> Aug.	U.S PPI Data	Moderate(USD-INR)	
12 <sup>th</sup> Aug.	British GDP Data	High(GBP-INR)	
12 <sup>th</sup> Aug.	OPEC Monthly Report	High(USD-INR)	
12th Aug.	Indian CPI Data	High(All Trading pairs V/S INR)	
13 <sup>th</sup> Aug.	Chinese Industrial Production	High(USD-INR)	
14 <sup>th</sup> Aug.	U.S Retail Sales	High(USD-INR)	

### **CHART FORMATION: USD-INR Fut. (Trend:Volatility Ahead)**



#### TECHNICAL ANALYSIS

The USD-INR a trend line breakout was visible on the daily charts, however a retracement to the trend line was seen in the last trading session but bullish trend still remains intact. Technically; Resistance can be faced at the levels of Rs.75.50 & 75.75 whereas support remains near 74.90 & 74.50. However investors should be cautious in the coming week for more volatility.



#### **OPTION OUTLOOK**

As per the option chain for the 27<sup>th</sup> Aug. Expiry, The maximum addition of open interest can be witnessed at 74.75(Put) and 75.75 (Calls) Highest allocation of open interest is at the levels of 75.00. Overall, call writers are looking in control with pc ratio at 0.79. However, any move above the resistance level could trigger long unwinding. Support wise open interest in Put was still seen at the levels of Rs.75 and a range bound movement is expected in the coming week.

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