



Rupee remains under selling pressure...

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USD/INR



➤ **Storyboard:**

- ❑ USDINR got off to a strong start by trading 45 paise higher at 74.80 on spot reference. COVID has generated a significant negative narrative around India. This narrative may not sustain for long but as long as it exists, it can continue to have a bearish impact on Rupee and stock markets. Between mid-Feb and now, Nifty is down nearly 8% from its peak but S&P500 is up nearly 6.5%, proving a 15% underperformance of domestic equity markets.

➤ **Trade Pointer:**

- ❑ OI build up in OTM calls in USDINR and chart levels suggest that the region between 75.05/75.30 will act as a strong resistance. If USDINR manages to eclipse it, then it can eye 76.40/50 zone on spot.

➤ **Levels to watch:**

Futures	S2	S1	CMP	R1	R2
USDINR	74.50	74.75	75.01	75.20	75.40



**EUR/USD
&
EUR/INR**

➤ **Storyboard:**

- ❑ Are we seeing a turn in EURUSD? Macro data in US is going from strong to stronger. Retail sales, consumer spending growth, jobless claims and manufacturing surveys all are moving northwards. At the same time, in Germany cases are beginning notch up. All in all, Euro may weaken against both USD as well as GBP.

➤ **Trade Pointer:**

- ❑ EURUSD is turning away from the resistance zone and may test 1.1850, which is a tenuous support. Once that breaks it can aim for March lows near 1.1700. Only a sustained trading above 1.20, will flip the bias to neutral.

➤ **Levels to watch:**

Futures	S2	S1	CMP	R1	R2
EURINR	89.15	89.45	89.67	89.90	90.15



**GBP/USD
 &
 GBP/INR**

➤ **Storyboard:**

- This week is going to be data heavy for GBP. With jobs data, retail sales, inflation and PMI numbers up for release. Data is expected to be strong and that may provide the necessary strength to GBP pairs.

➤ **Trade Pointer:**

- GBPUSD is showing signs of resuming the uptrend. With Rupee once again under selling pressure, GBPINR remains a buy on decline with stop below 102.50. Target 104.50/70 levels.

➤ **Levels to watch:**

Futures	S2	S1	CMP	R1	R2
GBPINR	103.30	103.60	103.83	104.15	104.45



**USD/JPY
 &
 JPY/INR**

➤ **Storyboard:**

- ❑ USDJPY continues to drift lower as the Yen shorts are unwound. Further decline is possible.

➤ **Trade Pointer:**

- ❑ USDJPY has support near 108.30 and 107.80. Weak Rupee can drive JPYINR higher. Hence, buy on decline for a target of 69.60/80 levels.

➤ **Levels to watch:**

Futures	S2	S1	CMP	R1	R2
JPYINR	68.50	68.75	69.02	69.30	69.55

FPI FLOWS

(\$ Million)		
MONTH	EQUITY	DEBT
May-20	1,929	(2,902)
Jun-20	2,890	552
Jul-20	1,018	(568)
Aug-20	6,294	368
Sep-20	(1,052)	896
Oct-20	2,661	314
Nov-20	8,132	326
Dec-20	8,420	1,227
Jan-21	2,658	(660)
Feb-21	3,539	(246)
Mar-21	1,444	902
Apr-21	(626)	(4)
LTTM	37,307	205

- The three macro factors that drive the value of USDINR: (i) Carry trade done by speculators by selling USDINR forwards/futures and rolling it (ii) FDI & FPI flows (iii) RBI intervention.
- Alongwith macro and technical factors, Intermarket has significant impact on USDINR. Keep an eye on (i) US Dollar Index (ii) Global equity indices (iii) Oil prices- The negative impact of oil on Rupee is more pronounced when period of high oil prices coincide with period of USD shortage (iii) Asian currencies against US Dollar
- FPI flows remain negative for the month of April and that is weighing on the Indian Rupee.

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