



FX Partner You Can Trust

## FOREIGN EXCHANGE OUTLOOK

DAILY CURRENCY HIGHLIGHTS

24 January 2020

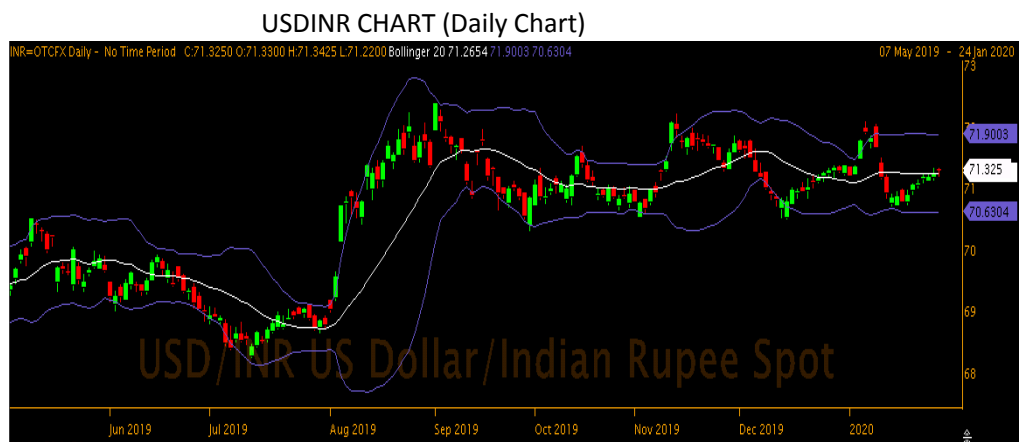


### Markets Recap

The USDINR pair ended the session where it opened for the day at 71.33. Broad-based US dollar strength across the global market and some major state-owned banks buying the dollar, likely for the government's defence-related payments and oil marketing companies kept a lid on the gains. Equities indices continued its upswing for the second day in a row as streak ended up by 0.55%. The benchmark bond yield ended up marginally lower by 2bps to 6.58%. Eurozone manufacturing PMI came in well ahead of what was anticipated and in the case of Germany, PMIs for manufacturing and services sectors rebounded. Despite encouraging data release, the euro fell near two month low after the ECB's more dovish tone at Thursday's meeting. The UK economy returned to growth in January as the composite PMI reading for the UK hit 52.4 in January, up from 49.3 in December. This marked a 16-month high thereby reducing the probability of an imminent rate cut when its monetary policy committee (MPC) meets later this month.

### Technical corner

“ After a range-bound trading session, the USDINR pair ended the session near day's high ”



### News of the day

“ D-Street cheered pre-budget rally and Q3 corporate earnings ”

India's stock indices nudged higher despite unsupportive global cues. The expectations are high from the budget as market participants pin hopes for additional measures from the government to revive the economy. Further, the earnings announcement from corporates would also induce stock-specific volatility. At close, the Sensex was up 226.79 points or 0.55% at 41613.19, and the Nifty was up 67.90 points or 0.56% at 12248.25.

## Forward Premia

## ● Dollar Rupee Month End Forward Premium

USDINR Month end Premium													
Description	CASH/SPOT	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Premiums in paisa	2.6	1	20.75	43.75	74.5	96.75	121.75	147.25	172.25	196.5	221.5	245.5	273.5
Outright Rate	71.30	71.34	71.53	71.76	72.07	72.29	72.54	72.80	73.05	73.29	73.54	73.78	74.06
Annualized Premium %	3.41	2.56	3.43	3.55	4.10	4.06	4.05	4.07	4.08	4.09	4.11	4.09	4.14

## Market At Glance

## ● Market Activity

Key rates	Closing
USDINR closing rate	71.33
USDINR future (Jan)	71.35
US 10y bond yield	1.75%
India 10y bond yield	6.58%
Nifty	12248(+68)
1 Year Libor	1.89%
Highest OI for Call	72.00 strike (Jan)
Highest OI for Put	71.00 strike (Jan)

## ● Institutional Activity

FY 2019 - 20	INR crores			
	Equity	Debt	Hybrid	Total
April	21193	-5099	634	16728
May	7920	1187	2264	11371
June	2596	8319	2196	13111
July	-12419	9433	-17	-3003
Aug	-17592	11672	49	-5871
Sep	7548	-990	25	6583
Oct	12368	3670	31	16069
Nov	25231	-2358	126	22999
Dec	7338	-4617	39	2760
Jan	13304	-11680	-42	1582
<b>Total</b>	<b>67487</b>	<b>9537</b>	<b>5305</b>	<b>82329</b>

\* updated as on 24-January-2020

## ● Commodity Activity

	LAST	%CHANGE
GOLD (\$/ounce)	1559.36	-0.09
SILVER (\$/ounce)	17.81	0.21
WTI CRUDE (\$/bbl)	55.39	-0.36
DOLLAR INDEX	97.85	0.16

## The Evening Sunshine

## ● Rupee Counterpair data

	Open	High	Low	Close
USDINR	71.33	71.34	71.23	71.33
EURINR	78.74	78.84	78.67	78.69
GBPINR	93.37	93.94	93.27	93.30
CHFNR	73.51	73.58	73.42	73.44
JPYINR	65.14	65.17	65.02	65.06

“ DXY is trading at 1-month high ahead of US macro data release

US stock market are likely to open higher today. While investors remain cautious with global stocks trading close to all-time highs, corporate earnings are topping expectations and a slew of data this month has validated forecasts for a recovery in the global economy. While, Brent Crude fell 4.2 % during the week on concerns over spreading coronavirus in China and forecast increase in global oil inventories. ” Currently, its trading flat around \$ 61.70 levels.

**Headquarters:-**

India Forex Advisors Pvt. Ltd.  
H-125, 1st Floor, Kanakia Zillion, LBS Marg,  
CST Road Junction, Bandra Kurla Complex Annexe, Kurla West,  
Mumbai-400070

Research & Analytics Desk: +91 8879390076 | Treasury Audit & Bank Negotiation Desk: +91 8879630572 |  
FX & Treasury Advisory Desk: +91 8879560010 | FX Trading & Options Desk: +91 8291983820

Email Us: [info@ifaglobal.net](mailto:info@ifaglobal.net)  
You can also visit our website: [www.ifaglobal.net](http://www.ifaglobal.net)  
To know more about Treasury Elite, visit [www.treasuryelite.com](http://www.treasuryelite.com)  
Blog: [www.abhishekgoenka.com](http://www.abhishekgoenka.com)

**IMPORTANT NOTICE AND DISCLAIMER**

While every effort has been made to ensure that the data quoted and used for the research behind this document is reliable, there is no guarantee that it is correct, and IFA Global can accept no liability whatsoever in respect of any errors or omissions, or regarding the accuracy, completeness or reliability of the information contained herein. This document does not constitute a recommendation to sell and/or buy any financial products and is not to be considered as a solicitation and/or an offer to enter into any transaction. This document is a piece of economic research and is not intended to constitute investment advice, nor to solicit dealing in securities or in any other kind of investments. Although every investment involves some degree of risk, the risk of loss trading off-exchange forex contracts can be substantial. Therefore if you are considering trading in this market, you should be aware of the risks associated with this product so you can make an informed decision prior to investing. The material presented here is not to be construed as trading advice or strategy. IFA Global makes a strong effort to use reliable, expansive information, but we make no representation that it is accurate or complete. In addition, we have no obligation to notify you when opinions or data in this material change. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other instruments.

IFA GLOBAL TREASURY RESEARCH ACADEMY | [www.ifaglobal.net](http://www.ifaglobal.net) | [www.treasuryelite.com](http://www.treasuryelite.com) | Blog: [www.abhishekgoenka.com](http://www.abhishekgoenka.com)