

A weekly snapshot
14th March 2020

Policy Repo Rate and
Reverse Repo Rate

5.15% & 4.90%

Bond Yield 10 Year Rate

6.32 (+2.27%)

**SPOT
SECTION**

<u>USD-INR</u>	<u>GBP-INR</u>	<u>EUR-INR</u>	<u>JPY-INR</u>
73.84(-0.22%)	90.66(-6.12%)	82.00(-1.82%)	78.38(-2.68%)

HOW MUCH WILL BE ENOUGH TO REVIVE THE MARKET?

In the past week, United States Federal Reserve infused Billions of dollars in the market to provide shield against the effect of coronavirus on the economy and the markets, however the fear still looms as the White House declared National Emergency and steps are being taken to counter and control the effect of the pandemic. Looking at the Euro Zone, Italy faces complete lockdown with majority of the European countries facing travel ban from United States. On the other hand, Bank of England reduced the interest rate from 0.75 to 0.25% in order to provide support to the economy. In the Asian continent, OPEC has virtually entered into a crude war with Russia leading to a catastrophic effect in the Crude Prices and World Economy. The Indian Markets had the most volatile week over many years with highest weekly loss and a lower circuit on the last day of the trading session. On the trading front, Investors are advised to trade cautiously in combination of currencies rather than restricting themselves just to USD-INR. Call and Put option contracts in USD-INR of strike price Rs. 74.00 were most active.

USD INR

Contract	Rate	High	Low	Change	Turnover Cr.
27th Mar.	74.13	74.74	73.76	-0.25	92513.07
28th Apr.	74.45	75.06	74.06	-0.28	18310.10
27th May	74.64	75.34	74.26	-0.15	2036.89

EUR INR

Contract	Rate	High	Low	Change	Turnover Cr.
27th Mar.	82.71	85.45	82.51	-1.65	4827.55
28th Apr.	83.11	85.70	82.82	-1.53	612.70
27th May	83.41	86.13	83.31	-1.40	61.45

CURRENCY ₹ STATISTICS

GBP INR

Contract	Rate	High	Low	Change	Turnover Cr.
27th Mar.	93.17	98.13	93.03	-3.05	9343.83
28th Apr.	93.54	98.50	93.44	-3.58	1171.98
27th May	93.85	98.78	93.67	-3.65	101.50

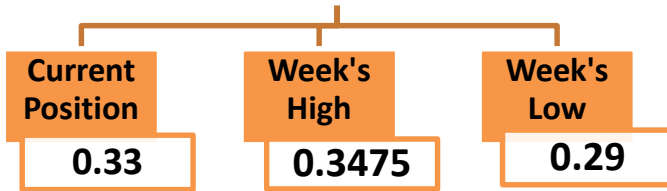
JPY INR

Contract	Rate	High	Low	Change	Turnover Cr.
27th Mar.	69.64	73.11	69.48	-2.06	3038.37
28th Apr.	70.01	73.33	69.88	-2.34	379.78
27th May	70.32	73.61	66.10	-2.60	63.46



SHORTING OPPORTUNITY

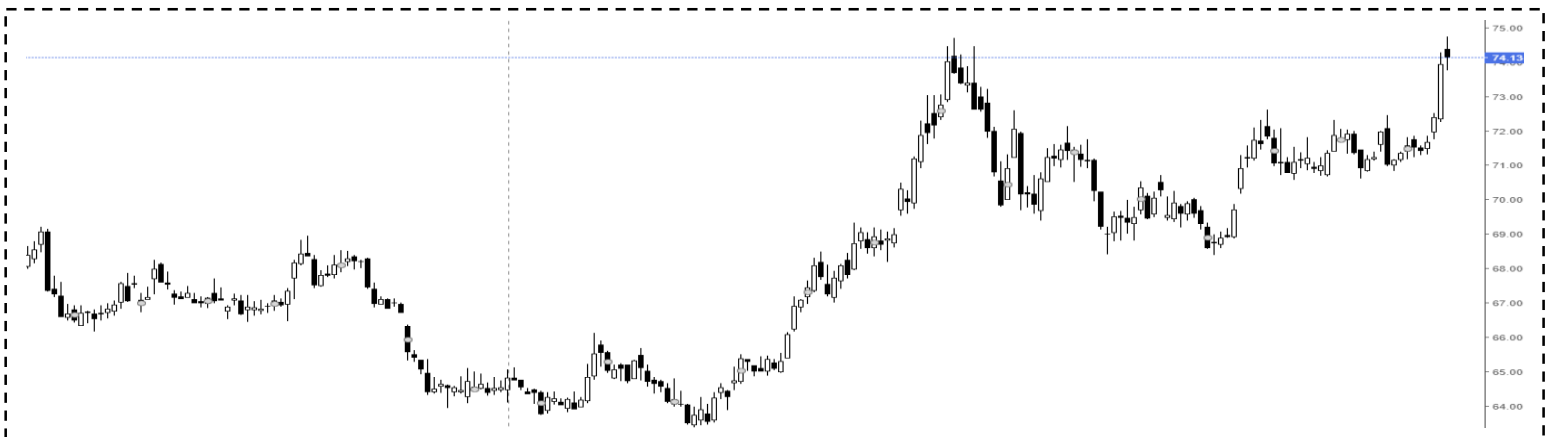
Badala Status of (USD-INR) for the week



UPCOMING INTERNATIONAL EVENTS

DATE	EVENT	SIGNIFICANCE
15 th March	Chinese Industrial Prod. And Employment Data	High(USD-INR)
16 th March	India WPI Inflation	Moderate(All trading currency pairs against INR)
17 th March	Japanese Industrial Production	High (JPY-INR)
17 th March	British Average Earning Index	Moderate(GBP-INR)
17 th March	United States Retail Sales	High(USD-INR)
18 th March	Euro Zone CPI Data	High(EUR-INR)
18 th March	United States FOMC Economic Projections	High(USD-INR)

CHART FORMATION: USD-INR Fut. (Trend: Range Bound Volatile)



TECHNICAL ANALYSIS

The USD-INR moved in a volatile manner where new highs were made but the currency was not able to hold its ground. Technically the currency is forming an inverse head and shoulder pattern and the breakout could take the currency to newer highs. The resistance on the charts can be seen around the levels of Rs. 74.75 & 74.60 whereas support at Rs. 73.74 & 73.50.

OPTION OUTLOOK

As per the option chain for the 27th Mar. Expiry, The maximum allocation of open interest can be witnessed at 74.00 (Put). Highest allocation of open interest is at the levels of 74.00. Overall, Call writers are marginally in control, however put writes are giving tough fight to the call writers with Put Call Ratio of 0.84. Support wise open interest in Put was still seen at the levels of Rs.73.75 and bullish trend is expected if currency crosses resistance zone.

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