

August 18, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stop loss	Duration
US\$INR	August	Sell	74.96	74.81	75.06	1 day

Research Analysts

Amit Gupta

amit.gup@icicisecurities.com

Nandish Patel

nandish.patel@icicisecurities.com

Raj Deepak Singh

rajdeepak.singh@icicisecurities.com

Dipesh Dedhia

dipesh.dedhia@icicisecurities.com

INR Futures

Currency Pair	Close	Pvs. Close	% Change
US\$INR (Aug)	74.94	75.02	-0.11
EURINR (Aug)	88.72	88.57	0.17
GBPINR (Aug)	98.02	98.28	-0.26
JPY INR (Aug)	70.45	70.32	0.18

Global Bonds

Bonds	Close	Change	% Change
India 10 Year	5.98	0.01	0.00
India 2 Year	4.30	0.05	0.01
US 10 Year	0.68	-0.03	-0.04
US 2 Year	0.15	0.00	-0.03
Germany 10 Year	-0.43	-0.01	-0.03

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	4774	4961	-188
Debt	227	849	-622
Net			-810

Source: Bloomberg, ICICI Direct Research

- The rupee appreciated slightly on Monday supported largely by domestic equities coupled with weaker dollar against the basket of major currencies
- The dollar index edged lower below 93 level. Other currencies inched higher as investors were relieved by a delay in a review of the US-China trade pact, which left the deal intact

- Post a flat opening, in the early hours, energy stocks witnessed selling pressure while the Nifty made a low of 11144. However, a late recovery in auto along with outperformance in metal & technology stocks helped the market to recover the intraday losses
- The Bank Nifty future saw sideways trade but remained firm above 21500 throughout the day. Most of the private and midcap banks witnessed buying interest from lower levels. From the options space, additions were seen in 22000 and 22200 strike Call, which is the resistance area, whereas support for the Bank Nifty is placed at 21500

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 810 crore on August 17, 2020. They sold worth ₹ 188 crore in the equity market and also sold worth ₹ 622 crore in the debt market. In August, FIIs have bought equities worth ₹ 26875 crore so far while in the debt market they have sold ₹ 346 crore so far

US\$INR futures on NSE

Contracts	LTP	(% change)	OI	Vol	(% change)	
					OI	Vol
Aug	74.94	-0.11	1288278	943612	0.29	-36.51
Sep	75.15	-0.10	476074	119293	0.32	-29.72
Aug-Sep	-0.22	-	-	824319	-	-

- Uncertainty ahead of the release of US Federal Reserve's last policy meeting minutes along with delay in a review of the US-China trade deal is likely to keep pressure on the dollar
- The dollar-rupee August contract on the NSE was at ₹ 74.94 in the last session. The open interest in August series increased 0.29% while it also increased 0.32% in the next series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	74.81	74.87	74.93	74.99	75.05
US\$INR (Sep)	75.03	75.09	75.15	75.21	75.27
EURINR (Aug)	88.54	88.63	88.75	88.85	88.97
EURINR (Sep)	88.75	88.86	89.03	89.14	89.31
GBPINR (Aug)	97.77	97.90	98.09	98.22	98.41
GBPINR (Sep)	98.01	98.14	98.36	98.49	98.71
JPY INR (Aug)	70.15	70.30	70.39	70.54	70.62
JPY INR (Sep)	70.36	70.51	70.61	70.76	70.86

US\$INR Strategy

US\$INR Aug futures (NSE)

Sell US\$INR in the range of 74.95-74.97	Market Lot: US \$1000
Target: 74.87/74.81	Stop Loss: 75.06
Supports: 74.87/74.81	Resistances: 74.99/75.05

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.



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

I/We, Amit Gupta B.E, MBA (Finance), Raj Deepak Singh BE, MBA (Finance), Nandish Patel BCOM, Dipesh Dedhia BCOM, MBA (Finance), authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities Limited is a SEBI registered Research Analyst with SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Limited. The author may be holding a position in currency derivatives as on date of release of this report. ICICI Securities Limited may be holding a proprietary position in currency derivatives as on the date of release of this report." This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. ICICI Securities Ltd and affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities Ltd and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.