

August 24, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stop loss	Duration
US\$INR	August	Sell	74.98	74.81	75.10	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)	74.92	75.16	-0.32
EURINR (Aug)	88.33	88.95	-0.70
GBPINR (Aug)	98.46	98.66	-0.21
JPY INR (Aug)	70.88	70.93	-0.06

Global Bonds

Bonds	Close	Change	% Change
India 10 Year	6.14	0.14	2.33
India 2 Year	4.30	0.06	1.46
US 10 Year	0.63	-0.01	-1.94
US 2 Year	0.14	0.00	-1.35
Germany 10 Year	-0.51	-0.01	-2.22

FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	4820	4981	-161
Debt	618	1731	-1114
Net			-1275

- US\$INR futures fell sharply on Friday after bouncing in the previous sessions from their strong support of 74.70 level. The appreciation in the rupee was largely supported by positive opening of domestic equities
- The dollar index was on the defensive against most currencies on Friday after a rise in US jobless claims and a dip in treasury yields dampened the appeal of holding the greenback

- Post the positive start, the Nifty witnessed some follow-up buying and moved towards 11500. However, sustaining at the same pace seems difficult. The index witnessed profit taking action in a few heavyweight stocks. Towards the end, it ended with a gain of 0.50%
- On the back of participation from private banks and SBI, the index moved above 22300. However, selling continued at higher levels. On the options front, witting was seen in the 22000 Put and 22500 Call. The strangle indicates possible consolidation between these levels

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 1275 crore on August 20, 2020. They sold worth ₹ 161 crore in the equity market and also sold worth ₹ 1114 crore in the debt market. In August, FIIs have bought equities worth ₹ 41177 crore so far while in the debt market they have sold worth ₹ 1199 crore so far

US\$INR futures on NSE

Contracts	LTP	(% change)	OI	Vol	(% change)	
					OI	Vol
Aug	74.92	-0.32	1189212	1218112	-4.19	-15.23
Sep	75.14	-0.32	667885	251862	0.46	-19.40
Aug-Sep	-0.22	-	-	966250	-	-

- Concerns about the US economy, combined with an excess supply of dollars already in circulation due to the Fed's massive quantitative easing, are likely to weigh on the US dollar in the near term
- The dollar-rupee August contract on the NSE was at ₹ 74.92 in the last session. The open interest in the August series declined 4.19% while it increased 0.46% in the next series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	74.70	74.81	74.98	75.09	75.26
US\$INR (Sep)	74.96	75.05	75.19	75.28	75.42
EURINR (Aug)	87.67	88.00	88.54	88.87	89.42
EURINR (Sep)	88.06	88.33	88.84	89.11	89.62
GBPINR (Aug)	97.82	98.14	98.73	99.05	99.65
GBPINR (Sep)	98.07	98.39	98.99	99.31	99.91
JPY INR (Aug)	70.72	70.80	70.92	71.00	71.12
JPY INR (Sep)	70.94	71.02	71.13	71.20	71.31

US\$INR Strategy

US\$INR Aug futures (NSE)

Sell US\$INR in the range of 74.96-75.00 Market Lot: US \$1000
 Target: 74.81 Stop Loss: 75.10

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

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