

August 27, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stop loss	Duration
US\$INR	Sep	Sell	74.54	74.31	74.70	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)	74.28	74.26	0.02
EURINR (Aug)	87.75	87.82	-0.08
GBPINR (Aug)	97.68	97.53	0.15
JPY INR (Aug)	69.92	69.77	0.22

Global Bonds

Bonds	Close	Change	% Change
India 10 Year	6.20	0.05	0.75
India 2 Year	4.48	0.10	2.37
US 10 Year	0.71	0.02	3.56
US 2 Year	0.16	0.00	1.49
Germany 10 Year	-0.41	0.01	3.18

FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	5740	3987	1754
Debt	1818	2858	-1040
Net			714

- US\$INR futures remained flat on Wednesday as a slightly positive dollar index tried to lift prices. However, stronger domestic equities capped gains in the pair
- The dollar index and the euro traded cautiously on Wednesday as investors refrained from taking risky bets a day ahead of a key speech by Federal Reserve Chairman Jerome Powell

- The Nifty stayed volatile for yet another day. After a gap up opening, it could not hold on to its early gains. However, a recovery was seen in leading private banks and NBFCs along with auto stocks helping the index to recover 100 points from its day's low. It finally ended with a gain of 78 points
- The banking index continued its momentum and gained more than 400 points on the back of continued buying in index pivotals. Midcap banks were major gainers of the day with IndusInd Bank and Axis Bank taking the lead

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 714 crore on August 25, 2020. They bought worth ₹ 1754 crore in the equity market and sold worth ₹ 1040 crore in the debt market. In August, FIIs have bought equities worth ₹ 44431 crore so far while in the debt market they have sold worth ₹ 1141 crore so far

US\$INR futures on NSE

Contracts	LTP	(% change)	OI	Vol	(% change)	
					OI	Vol
Aug	74.28	0.02	860808	1573962	-11.68	-24.25
Sep	74.49	0.01	1215169	909472	28.13	13.49
Aug-Sep	-0.21	-	-	664490	-	-

- Amid growing speculation that Jerome Powell could unveil a softer policy stance towards inflation at the annual Jackson Hole retreat, investors are bracing for the Fed's possible new steps to prop up the US economy
- The dollar-rupee August contract on the NSE was at 74.28 in the last session. The open interest in the August series declined 11.68% while it increased 28.13% in the next series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	74.08	74.18	74.32	74.42	74.57
US\$INR (Sep)	74.31	74.40	74.54	74.63	74.77
EURINR (Aug)	87.24	87.50	87.75	88.01	88.27
EURINR (Sep)	87.70	87.86	88.07	88.23	88.44
GBPINR (Aug)	97.15	97.41	97.68	97.94	98.21
GBPINR (Sep)	97.35	97.66	97.94	98.24	98.52
JPY INR (Aug)	69.58	69.75	69.91	70.08	70.24
JPY INR (Sep)	69.83	69.98	70.13	70.28	70.43

US\$INR Strategy

US\$INR Sep futures (NSE)

Sell US\$INR in the range of 74.53.-74.55 Market Lot: US \$1000
 Target: 74.31 Stop Loss: 74.70

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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