

September 1, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Sep	Sell	73.60	73.15	73.92	1 day

Research Analysts

Raj Deepak Singh

rajdeepak.singh@icicisecurities.com

Nandish Patel

nandish.patel@icicisecurities.com

Dipesh Dedhia

dipesh.dedhia@icicisecurities.com

INR Futures

Currency Pair	Close	Pvs. Close	% Change
US\$INR (Sep)	73.44	73.51	-0.09
EURINR (Sep)	87.65	87.55	0.12
GBPINR (Sep)	97.87	97.78	0.09
JPY INR (Sep)	69.38	69.79	-0.59

Global Bonds

Bonds	Close	Change	% Change
India 10 Year	6.08	-0.02	-0.31
India 2 Year	4.46	-0.02	-0.47
US 10 Year	0.73	0.00	-0.40
US 2 Year	0.14	0.00	1.26
Germany 10 Year	-0.40	0.02	3.66

FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	7147	6670	477
Debt	402	2287	-1884
Net			-1407

- US\$INR futures started yesterday's trading with a strong rebound on the back of a sharp correction in domestic equities. However, weakness in the dollar continued to weigh on the pair
- The dollar index was set for a fourth straight month of losses on Monday after a US Federal Reserve policy shift on inflation while the euro was poised to post a fourth month of gains, taking both currencies to levels last seen in 2018

- The Nifty snapped its six day winning streak due to reports of increased tensions between India and China at the border. On the options front, aggressive writing was witnessed in 11500 and 11600 Call strikes that should be immediate hurdles on the upsides. On the other hand, 11300 remains crucial support on downsides for ongoing momentum
- The Bank Nifty opened higher and rapidly succumbed to a bout of selling following profit taking after last week's rally in private and PSU banks. IVs rose along with significant OI addition in 24500 strike Call indicating limited upside this week

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 1407 crore on August 28, 2020. They bought worth ₹ 477 crore in the equity market and sold worth ₹ 1884 crore in the debt market, out of which ₹ 1461 crore was through primary market. In August, FIIs have bought equities worth ₹ 47995 crore so far while in the debt market they have sold worth ₹ 3929 crore so far

US\$INR futures on NSE

Contracts	LTP	(%) change	OI	Vol	(%) change	
					OI	Vol
Sep	73.44	-0.09	1433028	3313827	-10.50	-1.51
Oct	73.67	-0.09	262539	286844	0.98	9.20
Sep-Oct	-0.23	-	-	3026983	-	-

- Investors are adjusting to Federal Reserve Chairman Jerome Powell's speech in which he outlined an accommodative policy change that is expected to result in inflation moving slightly higher and interest rates staying lower for longer
- The dollar-rupee September contract on the NSE was at 73.44 in the last session. The open interest in the September series declined 10.5% while it increased 0.98% in the next series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	72.84	73.14	73.52	73.83	74.21
US\$INR (Oct)	73.08	73.37	73.75	74.05	74.42
EURINR (Sep)	86.89	87.27	87.63	88.01	88.37
EURINR (Oct)	87.21	87.57	87.93	88.29	88.64
GBPINR (Sep)	97.29	97.58	98.02	98.31	98.75
GBPINR (Oct)	97.59	97.87	98.30	98.58	99.02
JPY INR (Sep)	68.91	69.14	69.55	69.79	70.20
JPY INR (Oct)	69.11	69.37	69.77	70.03	70.43

US\$INR Strategy

US\$INR Sep futures (NSE)

Sell US\$INR in the range of 73.58-73.62 Market Lot: US\$1000
 Target: 73.15 Stop Loss: 73.92

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, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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