

September 4, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Sep	Buy	73.55	73.90	73.30	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)	73.68	73.35	0.45
EURINR (Sep)	87.04	87.03	0.00
GBPINR (Sep)	97.66	97.95	-0.30
JPY INR (Sep)	69.24	69.09	0.22

Global Bonds

Bonds	Close	Change	% Change
India 10 Year	5.90	-0.02	-0.41
India 2 Year	4.35	-0.02	-0.48
US 10 Year	0.64	-0.02	-2.24
US 2 Year	0.13	-0.01	-5.91
Germany 10 Year	-0.49	-0.01	-2.75

FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	7014	5786	1228
Debt	973	1397	-424
Net			803

- US\$INR futures rose further on Thursday largely tracking a bounce in the dollar index, which was trading around 93 level after making its recent two-year's low of 91.72
- The dollar index extended gains on Thursday as investors trimmed bets against the greenback and sold the euro on concerns that the European Central Bank was worried about its rise

- On Thursday, the Nifty witnessed range bound movement and ended on the lower side below 11550. Sectorally, from the highs, selling pressure was visible in banking, NBFC and cement stocks while buying was seen in pharma and auto stocks. On the upside, 11600 remains a crucial hurdle as it holds maximum OI in Call option
- The choppiness in banking stocks continued as the Bank Nifty again slipped from higher levels and ended with a loss of 1.50%. Most of the private banks witnessed a leg of profit booking

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 803 crore on September 2, 2020. They bought worth ₹ 1228 crore in the equity market and sold worth ₹ 424 crore in the debt market. In September, FIIs have bought equities worth ₹ 1802 crore so far while in the debt market they have sold worth ₹ 569 crore so far

US\$INR futures on NSE

Contracts	LTP	(%) change	OI	Vol	(%) change	
					OI	Vol
Sep	73.68	0.45	1433734	2153995	-1.90	-6.37
Oct	73.89	0.44	291708	158631	6.15	-22.77
Sep-Oct	-0.22	-	-	1995364	-	-

- ECB policymakers reportedly warned that if the euro keeps appreciating it will weigh on exports, drag down prices and intensify pressure for more monetary stimulus. This would provide a short-term support to the dollar
- The dollar-rupee September contract on the NSE was at 73.68 in the last session. The open interest in the September series declined 1.9% while it increased 6.15% in the next series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.19	73.43	73.57	73.81	73.95
US\$INR (Oct)	73.34	73.62	73.77	74.04	74.19
EURINR (Sep)	86.56	86.80	86.95	87.19	87.34
EURINR (Oct)	86.83	87.06	87.22	87.45	87.61
GBPINR (Sep)	97.41	97.54	97.73	97.86	98.05
GBPINR (Oct)	97.69	97.81	98.01	98.13	98.32
JPY INR (Sep)	68.89	69.06	69.21	69.38	69.53
JPY INR (Oct)	69.12	69.29	69.43	69.61	69.75

US\$INR Strategy

US\$INR Sep futures (NSE)

Buy US\$INR in the range of 73.53-73.57

Market Lot: US\$1000

Target: 73.90

Stop Loss: 73.30

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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