

September 7, 2020

## Daily Currency outlook

### Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Sep	Sell	73.42	73.10	73.67	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)	73.30	73.68	-0.51
EURINR (Sep)	86.89	87.04	-0.17
GBPINR (Sep)	97.35	97.66	-0.32
JPY INR (Sep)	69.08	69.24	-0.24

## Global Bonds

Bonds	Close	Change	% Change
India 10 Year	5.93	0.03	0.00
India 2 Year	4.34	-0.01	0.00
US 10 Year	0.72	0.00	-0.24
US 2 Year	0.15	0.00	-2.78
Germany 10 Year	-0.47	0.01	2.41

## FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	5062	5181	-119
Debt	1492	865	627
Net			508

- US\$INR futures fell sharply on Friday as the dollar index retraced its gains from a high of 93.24 till a low of 92.69. However, a sharp correction in domestic equities provided some support to the pair
- The US dollar index dipped on Friday, following a US Labour Department report that job growth slowed further in August, threatening the economy's recovery from the Covid-19 pandemic

- On Friday, the Nifty opened lower on the back of negative global cues amid high volatility. In early trade, heavyweight stocks saw a recovery, but later gave up all the gains. However, on downsides, 11300 remains a crucial support for the ongoing momentum
- The Bank Nifty continued its downtrend for a second consecutive day. Selling intensified in PSU as well as private banks with SBI, Axis Bank and IndusInd Bank the biggest losers. Call writers shifted their position lower as aggressive OI additions were seen in 23500 and 24000 strikes, which are the key hurdles on upsides

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 508 crore on September 3, 2020. They sold worth ₹ 119 crore in the equity market and bought worth ₹ 627 crore in the debt market. In September, FIIs have bought equities worth ₹ 1683 crore so far while in the debt market they have bought worth ₹ 58 crore so far

## US\$INR futures on NSE

Contracts	LTP	(%) change	OI	Vol	(%) change	
					OI	Vol
Sep	73.30	-0.51	1474382	2447524	2.84	13.63
Oct	73.52	-0.50	301773	192143	3.45	21.13
Sep-Oct	-0.22	-	-	2255381	-	-

- The dollar's downtrend is expected continue in the near term due to the outlook on the Fed's monetary policy
- The dollar-rupee September contract on the NSE was at 73.30 in the last session. The open interest in the September series increased 2.84% while it also increased by 3.45% in the next series

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	72.81	73.06	73.42	73.66	74.03
US\$INR (Oct)	73.09	73.31	73.60	73.82	74.11
EURINR (Sep)	86.36	86.62	86.97	87.23	87.57
EURINR (Oct)	86.65	86.91	87.25	87.51	87.85
GBPINR (Sep)	96.94	97.14	97.49	97.69	98.04
GBPINR (Oct)	97.08	97.34	97.80	98.06	98.52
JPY INR (Sep)	68.70	68.89	69.15	69.34	69.60
JPY INR (Oct)	68.94	69.12	69.38	69.56	69.82

## US\$INR Strategy

### US\$INR Sep futures (NSE)

Sell US\$INR in the range of 73.41-73.43      Market Lot: US\$1000  
 Targets: 73.16, 73.06      Stop Loss: 73.67

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](mailto: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](mailto:research@icicidirect.com)

---

I/We, 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](http://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](http://www.icicibank.com).