

September 8, 2020

Daily Currency outlook

Recommendation in the report

| Currency Pair | Contract | Action | Price | Target | Stoploss | Duration |
|---------------|----------|--------|-------|--------|----------|----------|
| US\$INR | Sep | Sell | 73.68 | 73.35 | 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) | 73.61 | 73.30 | 0.42 |
| EURINR (Sep) | 87.06 | 86.89 | 0.20 |
| GBPINR (Sep) | 96.87 | 97.35 | -0.49 |
| JPY INR (Sep) | 69.33 | 69.08 | 0.37 |

Global Bonds

| Bonds | Close | Change | % Change |
|-----------------|-------|--------|----------|
| India 10 Year | 5.99 | 0.06 | 0.00 |
| India 2 Year | 4.41 | 0.07 | 0.00 |
| US 10 Year | 0.72 | 0.00 | -0.24 |
| US 2 Year | 0.15 | 0.00 | -2.78 |
| Germany 10 Year | -0.46 | 0.00 | -0.76 |

FII & FPI Activities

| Segment | Purchase | Sell | Net ₹ Crores |
|---------|----------|------|--------------|
| Equity | 3797 | 6604 | -2807 |
| Debt | 1362 | 245 | 1117 |
| Net | | | -1690 |

- US\$INR futures recovered on Monday largely on the back of a positive dollar index coupled with weakness in domestic equities that also provided some support to the pair
- The US dollar index rose on Monday against the pound sterling and the euro as Brexit talks plunged into a crisis following Britain's threat to override its European Union divorce deal

- The Nifty stayed volatile for yet another day and ended with a gain of 0.2%. Sectorally, action was seen in technology, select pharma and FMCG stocks whereas profit taking was seen in auto and NBFC stocks. On the options front, aggressive writing was seen in ATM and OTM Call, which is likely to keep the index under pressure at higher levels
- The Bank Nifty consolidated throughout the day with stock specific action. However, a recovery was seen in select PSU and private banks from lower levels, helping Bank Nifty futures to trade near 23000 levels

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 1690 crore on September 6, 2020. They sold worth ₹ 2807 crore in the equity market and bought worth ₹ 1117 crore in the debt market. In September, FIIs have sold equities worth ₹ 1125 crore so far, while in the debt market they have bought worth ₹ 1175 crore so far

US\$INR futures on NSE

| Contracts | LTP | (%) change | OI | Vol | (%) change | |
|-----------|-------|------------|---------|---------|------------|--------|
| | | | | | OI | Vol |
| Sep | 73.61 | 0.42 | 1419157 | 1858125 | -3.75 | -24.08 |
| Oct | 73.82 | 0.41 | 318880 | 154804 | 5.67 | -19.43 |
| Sep-Oct | -0.21 | - | - | 1703321 | - | - |

- The overall trend remains bearish for the US dollar as near zero interest rates for the longer term in the US will keep pressure on the pair
- The dollar-rupee September contract on the NSE was at 73.61 in the last session. The open interest in the September series declined 3.75% while it increased 5.67% in the next series

Pivot levels

| Futures | S2 | S1 | Pivot | R1 | R2 |
|---------------|-------|-------|-------|-------|-------|
| US\$INR (Sep) | 73.01 | 73.31 | 73.48 | 73.78 | 73.95 |
| US\$INR (Oct) | 73.22 | 73.52 | 73.69 | 73.99 | 74.15 |
| EURINR (Sep) | 86.42 | 86.74 | 86.95 | 87.26 | 87.47 |
| EURINR (Oct) | 86.69 | 87.01 | 87.22 | 87.53 | 87.74 |
| GBPINR (Sep) | 96.47 | 96.67 | 97.01 | 97.21 | 97.55 |
| GBPINR (Oct) | 96.72 | 96.91 | 97.26 | 97.46 | 97.81 |
| JPY INR (Sep) | 68.73 | 69.03 | 69.20 | 69.50 | 69.67 |
| JPY INR (Oct) | 68.96 | 69.25 | 69.42 | 69.71 | 69.88 |

US\$INR Strategy

US\$INR Sep futures (NSE)

Sell US\$INR in the range of 73.67-73.69 Market Lot: US\$1000
 Targets: 73.45, 73.35 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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