

September 9, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Sep	Sell	74.05	73.75	74.25	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)	73.99	73.61	0.51
EURINR (Sep)	87.32	87.06	0.30
GBPINR (Sep)	96.58	96.87	-0.30
JPY INR (Sep)	69.64	69.33	0.44

Global Bonds

Bonds	Close	Change	% Change
India 10 Year	6.06	0.06	0.00
India 2 Year	4.50	0.09	0.00
US 10 Year	0.68	-0.05	-6.57
US 2 Year	0.14	-0.01	-9.34
Germany 10 Year	-0.50	0.00	0.00

FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	3743	3574	169
Debt	375	563	-188
Net			-19

- US\$INR futures recovered further on Tuesday as the dollar index bounced against a basket of major currencies due to Brexit uncertainties coupled with weaker domestic equities that contributed to the gains in the pair
- The US dollar index climbed to a three-week peak on Tuesday, helped by losses in the sterling on renewed worries about Brexit as well as investor's aversion to risk amid a sell-off on Wall Street

- Despite starting the day on a positive note, Call writers of ATM and OTM strikes dominated the day and dragged the Nifty lower. The Nifty tested its major Put base of 11300 due to selling in heavyweights. On the options front, aggressive additions were seen in 11400 and 11500 strike, which is likely to keep the index under pressure at higher levels. However, on downsides, 11100 will act as support
- For a major part of the day, the Bank Nifty remained under pressure due to selling in most private banks along with PSU banks. From the option space, 23000 Call has major OI that may act as hurdle on upsides

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 19 crore on September 7, 2020. They bought worth ₹ 169 crore in the equity market and sold worth ₹ 188 crore in the debt market. In September, FIIs have sold equities worth ₹ 955 crore so far while in the debt market they have bought worth ₹ 986 crore so far

US\$INR futures on NSE

Contracts	LTP	(%) change	OI	Vol	(%) change	
					OI	Vol
Sep	73.99	0.51	1450937	2749584	2.24	47.98
Oct	74.21	0.52	337361	223429	5.80	44.33
Sep-Oct	-0.22	-	-	2526155	-	-

- US\$INR September futures are trading near their strong resistance around 74.10 level. As long as it sustains below this level, appreciation in rupee is likely to resume
- The dollar-rupee September contract on the NSE was at 73.99 in the last session. The open interest in the September series increased 2.24% while it also increased 5.8% in the next series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.32	73.65	73.86	74.19	74.40
US\$INR (Oct)	73.54	73.87	74.08	74.41	74.61
EURINR (Sep)	86.72	87.02	87.20	87.50	87.68
EURINR (Oct)	86.92	87.26	87.45	87.80	87.99
GBPINR (Sep)	96.07	96.33	96.69	96.94	97.30
GBPINR (Oct)	96.35	96.60	96.95	97.19	97.54
JPY INR (Sep)	69.10	69.37	69.53	69.80	69.96
JPY INR (Oct)	69.34	69.61	69.75	70.02	70.16

US\$INR Strategy

US\$INR Sep futures (NSE)

Sell US\$INR in the range of 74.04-74.06

Market Lot: US\$1000

Targets: 73.85, 73.65

Stop Loss: 74.25

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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