

September 10, 2020

# Daily Currency outlook

## Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Sep	Sell	73.77	73.50	73.99	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)	73.73	73.99	-0.35
EURINR (Sep)	86.75	87.32	-0.65
GBPINR (Sep)	95.39	96.58	-1.23
JPY INR (Sep)	69.50	69.64	-0.20

## Global Bonds

Bonds	Close	Change	% Change
India 10 Year	73.39	-0.35	-0.48
India 2 Year	86.64	-0.19	-0.22
US 10 Year	1.18	0.00	0.22
US 2 Year	1.30	0.00	0.17
Germany 10 Year	1948.43	16.69	0.86

## FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	4599	4756	-157
Debt	1180	1016	164
Net			7

- US\$INR futures fell on Wednesday as the dollar index retreated and domestic equities recovered slightly, leading to rupee appreciation

- The dollar index slid from a four-week high on Wednesday, led by losses against the euro after a news report said European Central Bank officials have become more confident in their outlook on the region's recovery

- The Nifty opened below 11300, triggering huge volatility due to weak global cues. However, the index managed to recover 90 points from its bottom as a recovery was seen in pharma and auto stocks. From the weekly options front, ATM strike of Call and Put has significant OI suggesting it may largely consolidate around 11300

- On Wednesday, underperformance was clearly visible in banking stocks, which dragged the Bank Nifty to 22100. SBI was the loser whereas Kotak Bank and Axis Bank also witnessed selling pressure

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 7 crore on September 8, 2020. They sold worth ₹ 157 crore in the equity market and bought worth ₹ 164 crore in the debt market. In September, FIIs have sold equities worth ₹ 1113 crore so far while in the debt market they have bought worth ₹ 1151 crore so far

## US\$INR futures on NSE

Contracts	LTP	(% change)	OI	Vol	(% change)	
					OI	Vol
Sep	73.73	-0.35	1455947	2157972	0.35	-21.52
Oct	73.95	-0.34	353165	193921	4.68	-13.21
Sep-Oct	-0.22	-	-	1964051	-	-

- Rupee appreciation trend is expected to continue from current levels as weakening of dollar index against a basket of major currencies will further weigh on the pair
- The dollar-rupee September contract on the NSE was at 73.73 in the last session. The open interest in the September series increased 0.35% while it also increased 4.68% in the next series

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.41	73.57	73.77	73.93	74.14
US\$INR (Oct)	73.63	73.79	74.00	74.16	74.37
EURINR (Sep)	86.32	86.53	86.90	87.11	87.47
EURINR (Oct)	86.67	86.84	87.15	87.32	87.63
GBPINR (Sep)	94.56	94.97	95.73	96.14	96.90
GBPINR (Oct)	94.79	95.23	96.02	96.46	97.24
JPY INR (Sep)	69.16	69.33	69.60	69.77	70.04
JPY INR (Oct)	69.38	69.55	69.82	69.99	70.26

## US\$INR Strategy

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

Sell US\$INR in the range of 73.76-73.78      Market Lot: US\$1000  
 Targets: 73.55, 73.45      Stop Loss: 73.99

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.



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Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto:pankaj.pandey@icicisecurities.com)

ICICI Direct Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruiti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
[research@icicidirect.com](mailto:research@icicidirect.com)

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