

September 14, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Sep	Buy	73.63	73.85	73.50	1 day

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INR Futures

Currency Pair	Close	Pvs. Close	% Change
US\$INR (Sep)	73.65	73.57	0.11
EURINR (Sep)	87.37	87.11	0.30
GBPINR (Sep)	94.57	95.66	-1.15
JPY INR (Sep)	69.40	69.36	0.06

- US\$INR futures traded flat on Friday as the dollar index remained steady against a basket of major currencies and domestic equities also consolidated, which kept the pair in a sideways trend
- The dollar index, which tracks the greenback against other major currencies, was flat to slightly lower at 93.32. However, the index witnessed a second week of gains

Global Bonds

Bonds	Close	Change	% Change
India 10 Year	6.04	-0.01	0.00
India 2 Year	4.48	-0.01	0.00
US 10 Year	0.67	0.00	0.30
US 2 Year	0.13	0.00	0.00
Germany 10 Year	-0.48	0.00	0.41

- The Nifty lacked trading volumes and remained lacklustre for a major part of the day. Post a positive start, the index witnessed some recovery but could not raise sustainable gains. The advance: decline ratio marginally remained in favour of bulls. However, 11500 and 11600 Call has significant OI that may act as immediate hurdle on upsides
- Post a negative start, the Bank Nifty consolidated near 22500 for a major part of the day. During the day, select midcap banks and PSU banks recovered from lower levels

FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	5896	4976	920
Debt	197	180	17
Net			937

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 937 crore on September 10, 2020. They bought worth ₹ 920 crore in the equity market and also bought worth ₹ 17 crore in the debt market. In September, FIIs have sold equities worth ₹ 1152 crore so far while in the debt market they have bought worth ₹ 1648 crore so far

US\$INR futures on NSE

Contracts	LTP	(% change)	OI	Vol	(% change)	
					OI	Vol
Sep	73.65	0.11	1294848	1807912	-0.76	-29.92
Oct	73.87	0.11	408973	179593	6.80	-37.44
Sep-Oct	-0.22	-	-	1628319	-	-

- As the Brexit saga intensifies, the pound is expected to remain under pressure against the dollar, which should support the US\$INR in the short term
- The dollar-rupee September contract on the NSE was at 73.65 in the last session. The open interest in the September series declined 0.76%, while it increased 6.8% in the next series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.41	73.53	73.63	73.75	73.85
US\$INR (Oct)	73.54	73.70	73.90	74.07	74.27
EURINR (Sep)	86.82	87.09	87.28	87.55	87.74
EURINR (Oct)	87.10	87.38	87.56	87.84	88.02
GBPINR (Sep)	93.75	94.16	94.46	94.87	95.18
GBPINR (Oct)	93.83	94.34	94.86	95.37	95.88
JPY INR (Sep)	68.87	69.13	69.53	69.79	70.18
JPY INR (Oct)	69.42	69.51	69.59	69.68	69.76

US\$INR Strategy

US\$INR Sep futures (NSE)

Buy US\$INR in the range of 73.62-73.64

Market Lot: US\$1000

Targets: 73.75, 73.85

Stop Loss: 73.50

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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