

September 15, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Sep	Sell	73.71	73.25	73.95	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)	73.59	73.65	-0.09
EURINR (Sep)	87.39	87.37	0.03
GBPINR (Sep)	94.77	94.57	0.21
JPY INR (Sep)	69.46	69.40	0.10

Global Bonds

Bonds	Close	Change	% Change
India 10 Year	6.03	-0.01	0.00
India 2 Year	4.49	0.01	0.00
US 10 Year	0.66	0.00	-0.43
US 2 Year	0.14	0.01	4.65
Germany 10 Year	-0.49	-0.01	-1.57

FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	6764	4306	2458
Debt	386	799	-413
Net			2045

- US\$INR futures were volatile on Monday as the dollar index weakened against a basket of major currencies. However, a sharp correction in domestic equities provided support to the pair

- The dollar index slipped on Monday against its major peers, dropping to a two-week low vs. the yen, as positive news about a Covid-19 vaccine and a wave of merger & acquisition deals lifted the mood in global equity markets

- The Nifty opened with a positive gap but could not hold on to its gain due to selling in BFSI stocks. However, outperformance was seen in technology stocks. On option front, Call writing was seen in 11500, 11600 strikes that is likely to keep the index under pressure at higher levels

- On Monday, underperformance was clearly visible in banking stocks, which dragged the Bank Nifty towards 22100. SBI was the loser whereas HDFC Bank and Axis Bank also witnessed selling pressure. The Bank Nifty major Put OI was at 20000 strike while major Call OI was at 22500 strike suggesting it may largely consolidate between these levels

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 2045 crore on September 11, 2020. They bought worth ₹ 2458 crore in the equity market and sold worth ₹ 413 crore in the debt market. In September, FIIs have bought equities worth ₹ 1305 crore so far while in the debt market they have bought worth ₹ 1235 crore so far

US\$INR futures on NSE

Contracts	LTP	(% change)	OI	Vol	(% change)	
					OI	Vol
Sep	73.59	-0.09	1300755	2006505	0.46	10.98
Oct	73.81	-0.08	441344	250453	7.92	39.46
Sep-Oct	-0.22	-	-	1756052	-	-

- This week's US Federal Reserve meeting will be its first since Chairman Jerome Powell unveiled a policy shift toward greater tolerance of inflation, effectively pledging to keep interest rates low for longer
- The dollar-rupee September contract on the NSE was at 73.59 in the last session. The open interest in the September series increased 0.46% while it also increased by 7.92% in the next series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	72.88	73.23	73.71	74.06	74.54
US\$INR (Oct)	73.43	73.62	73.78	73.97	74.13
EURINR (Sep)	86.74	87.07	87.25	87.57	87.75
EURINR (Oct)	87.04	87.36	87.54	87.86	88.03
GBPINR (Sep)	93.69	94.23	94.59	95.13	95.49
GBPINR (Oct)	94.06	94.55	94.83	95.32	95.60
JPY INR (Sep)	69.05	69.26	69.42	69.62	69.78
JPY INR (Oct)	69.28	69.47	69.62	69.81	69.97

US\$INR Strategy

US\$INR Sep futures (NSE)

Sell US\$INR in the range of 73.70-73.72

Market Lot: US\$1000

Targets: 73.40, 73.25

Stop Loss: 73.95

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, Akruvi Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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