

September 22, 2020

# Daily Currency outlook

## Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Sep	Buy	73.50	73.80	73.30	1 day

## Research Analysts

**Raj Deepak Singh**

rajdeepak.singh@icicisecurities.com

**Nandish Patel**

nandish.patel@icicisecurities.com

**Mohit Agarwal**

mohit.agarwal@icicisecurities.com

## INR Futures

Currency Pair	Close	Pvs. Close	% Change
US\$INR (Sep)	73.58	73.48	0.14
EURINR (Sep)	86.74	87.02	-0.32
GBPINR (Sep)	94.63	95.43	-0.84
JPY INR (Sep)	70.68	70.39	0.40

- US\$INR futures rose on Monday as the dollar index recovered strongly against a basket of major currencies along with a sharp correction in domestic equities that contributed to gains in the pair
- The US dollar index soared on Monday and riskier currencies fell as investors looked for safety while stock markets around the world tumbled on fears of the economic implications of rising Covid-19 cases

## Global Bonds

Bonds	Close	Change	% Change
India 10 Year	6.02	0.00	0.00
India 2 Year	4.44	0.00	0.00
US 10 Year	0.66	-0.03	-4.29
US 2 Year	0.14	0.00	-2.81
Germany 10 Year	-0.52	0.01	1.42

- Global equity market sell-off dragged the Nifty for a second consecutive session on Monday making it one of the worst declines amid rising concerns over a second wave of Covid-19 in Europe. Throughout the day, it remained negative as consistent selling was seen in banking, metal and FMCG stocks. If the Nifty is unable to hold 11200, which also commands significant OI, then more downside can be seen in coming days
- After consolidating for most of the day with stock specific activity, the index fell sharply and moved below its major Put base of 21500

## FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	19603	17779	1824
Debt	570	230	341
Net			2164

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 2164 crore on September 18, 2020. They bought worth ₹ 1824 crore in the equity market and also bought worth ₹ 341 crore in the debt market. In September, FIIs have bought equities worth ₹ 5948 crore so far while in the debt market they have bought worth ₹ 2626 crore so far

## US\$INR futures on NSE

Contracts	LTP	(% change)	OI	Vol	(% change)	
					OI	Vol
Sep	73.58	0.14	1330678	1798966	-5.02	-33.86
Oct	73.81	0.14	626017	273046	2.74	-23.91
Sep-Oct	-0.23	-	-	1525920	-	-

- Key for the US currency's direction this week will be a slew of Federal Reserve speakers, who may shed light on the US central bank's new approach to inflation
- The dollar-rupee September contract on the NSE was at 73.58 in the last session. The open interest in the September series declined 5.02%, while it increased 2.74% in the next series

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.20	73.39	73.51	73.70	73.82
US\$INR (Oct)	73.43	73.62	73.73	73.92	74.04
EURINR (Sep)	86.34	86.54	86.89	87.09	87.44
EURINR (Oct)	86.65	86.85	87.19	87.38	87.72
GBPINR (Sep)	93.83	94.23	94.79	95.19	95.74
GBPINR (Oct)	94.16	94.54	95.06	95.44	95.96
JPY INR (Sep)	70.09	70.38	70.55	70.84	71.01
JPY INR (Oct)	70.28	70.58	70.75	71.05	71.22

## US\$INR Strategy

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

Buy US\$INR in the range of 73.49-73.51

Market Lot: US\$1000

Targets: 73.70, 73.80

Stop Loss: 73.30

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.

# Forthcoming Events

Date & Time (IST)	Country	Data & Events
September 21, 2020		
19:30	US	Fed Chair Powell Speaks
September 22, 2020		
13:00	UK	BoE Gov Bailey Speaks
19:30	US	Existing Home Sales (Aug)
20:00	US	Fed Chair Powell Testifies
September 23, 2020		
14:00	UK	Composite PMI
14:00	UK	Manufacturing PMI
14:00	UK	Services PMI
17:20	Japan	BoJ Monetary Policy Statement
20:00	US	Crude Oil Inventories
September 24, 2020		
18:00	US	Initial Jobless Claims
19:30	UK	BoE Gov Bailey Speaks
19:30	US	New Home Sales (Aug)
September 25, 2020		
18:00	US	Core Durable Goods Orders (MoM) (Aug)

Source: Bloomberg, Reuters, ICICI Direct Research



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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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