

September 23, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Sep	Buy	73.50	73.75	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)	73.50	73.58	-0.12
EURINR (Sep)	86.45	86.74	-0.34
GBPINR (Sep)	94.44	94.63	-0.20
JPY INR (Sep)	70.35	70.68	-0.46

- US\$INR futures remained flat on Tuesday as the dollar index rose further against a basket of major currencies along with selling pressure in domestic equities that also supported the pair
- The dollar index gained on Tuesday as investors sought safety for a second day in a row while they eyed new restrictions aimed at curbing surging Coronavirus cases in Europe, the latest US-China tensions and Washington's lack of progress on reaching a fiscal stimulus agreement

Global Bonds

Bonds	Close	Change	% Change
India 10 Year	6.01	-0.01	0.00
India 2 Year	4.44	0.00	0.00
US 10 Year	0.67	0.00	0.21
US 2 Year	0.14	0.00	-1.39
Germany 10 Year	-0.51	-0.01	-1.60

- Post a gap up opening, the Nifty failed to continue the follow up momentum and witnessed a round of profit booking. Selling intensified towards the end while the Nifty ended another session negative. Except IT, all sectors ended in the red amid high volatility
- The Bank Nifty opened positive and remained sideways in the first half of the day. However, in the second half, selling was seen in HDFC Bank, Axis Bank and IndusInd Bank, which dragged the index lower by 600 points from the day's highs. Looking at the options build-up, we feel it may consolidate around 21000 levels

FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	5460	5744	-283
Debt	1466	523	943
Net			659

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 659 crore on September 21, 2020. They sold worth ₹ 283 crore in the equity market and bought worth ₹ 943 crore in the debt market. In September, FIIs have bought equities worth ₹ 5665 crore so far while in the debt market they have bought worth ₹ 3569 crore so far

US\$INR futures on NSE

Contracts	LTP	(% change)	OI	Vol	(% change)	
					OI	Vol
Sep	73.50	-0.12	1290587	2009952	-3.01	11.73
Oct	73.72	-0.12	668997	367333	6.87	34.53
Sep-Oct	-0.22	-	-	1642619	-	-

- US Federal Reserve Chair Jerome Powell said the Fed remained committed to using all the tools at its disposal to help the US economy recover from the Coronavirus pandemic
- The dollar-rupee September contract on the NSE was at 73.50 in the last session. The open interest in the September series declined 3.01% while it increased 6.87% in the next series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.29	73.39	73.53	73.64	73.78
US\$INR (Oct)	73.52	73.62	73.76	73.86	74.00
EURINR (Sep)	86.18	86.31	86.47	86.60	86.76
EURINR (Oct)	86.23	86.48	86.69	86.94	87.15
GBPINR (Sep)	93.32	93.88	94.21	94.78	95.11
GBPINR (Oct)	93.19	93.96	94.72	95.48	96.25
JPY INR (Sep)	70.18	70.26	70.35	70.43	70.52
JPY INR (Oct)	70.37	70.46	70.57	70.66	70.76

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, 73.75 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



Pankaj Pandey

Head – Research

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

I/We, Raj Deepak Singh BE, MBA (Finance), Nandish Patel BCom, Mohit Agarwal BSc, MBA (Finance) authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities Limited is a SEBI registered Research Analyst with SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Limited. The author may be holding a position in currency derivatives as on date of release of this report. ICICI Securities Limited may be holding a proprietary position in currency derivatives as on the date of release of this report." This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. ICICI Securities Ltd and affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities Ltd and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.