

September 24, 2020

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Sep	Buy	73.45	73.60	73.35	1 day

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INR Futures

Currency Pair	Close	Pvs. Close	% Change
US\$INR (Sep)	73.52	73.50	0.03
EURINR (Sep)	86.11	86.45	-0.39
GBPINR (Sep)	93.58	94.44	-0.91
JPY INR (Sep)	69.99	70.35	-0.51

- US\$INR futures largely remained supported on Wednesday as the dollar index rose strongly against a basket of major currencies while a correction in domestic equities also supported the pair
- The euro fell to a two-month low on Wednesday as positive US economic data, concerns on a second wave of Coronavirus infections with tepid European indicators pushed the US dollar higher

Global Bonds

Bonds	Close	Change	% Change
India 10 Year	5.99	-0.02	0.00
India 2 Year	4.43	0.00	0.00
US 10 Year	0.69	0.02	3.24
US 2 Year	0.14	0.00	1.99
Germany 10 Year	-0.50	0.00	-0.40

- A volatile session ended with a loss of 21 points at 11132. Sectorally, action was seen in consumption, select technology and cement stocks whereas selling was witnessed in telecom, media and metal stocks. On the options front, 11300 Call and 11000 Put have significant OI. This indicates the Nifty may trade in the range of 11000 and 11300
- The Bank Nifty managed to hold the Put base of 21000 and reversed during the day. Axis Bank, Kotak Mahindra Bank and HDFC Bank witnessed short covering, which helped the Bank Nifty to end near 21300 with a gain of 0.5%

FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	4114	5889	-1775
Debt	357	621	-263
Net			-2038

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 2038 crore on September 22, 2020. They sold worth ₹ 1775 crore in the equity market and also sold worth ₹ 263 crore in the debt market. In September, FIIs have bought equities worth ₹ 3890 crore so far while in the debt market they have bought worth ₹ 3306 crore so far

US\$INR futures on NSE

Contracts	LTP	(% change)	OI	Vol	(% change)	
					OI	Vol
Sep	73.52	0.03	1173300	1749979	-9.09	-12.93
Oct	73.74	0.02	709449	370868	6.05	0.96
Sep-Oct	-0.22	-	-	1379111	-	-

- The dollar is likely to gain further as the Coronavirus rattles sentiment in Europe but uncertainty about this year's US presidential election means it could be prone to more volatile swings
- The dollar-rupee September contract on the NSE was at 73.52 in the last session. The open interest in the September series declined 9.09% while it increased 6.05% in the next series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.36	73.44	73.56	73.64	73.75
US\$INR (Oct)	73.58	73.66	73.78	73.86	73.97
EURINR (Sep)	85.81	85.96	86.06	86.21	86.32
EURINR (Oct)	86.10	86.25	86.35	86.50	86.60
GBPINR (Sep)	93.14	93.36	93.55	93.77	93.96
GBPINR (Oct)	93.31	93.61	93.96	94.26	94.60
JPY INR (Sep)	69.84	69.92	70.04	70.12	70.24
JPY INR (Oct)	70.05	70.13	70.26	70.34	70.48

US\$INR Strategy

US\$INR Sep futures (NSE)

Buy US\$INR in the range of 73.44-73.46

Market Lot: US\$1000

Targets: 73.55, 73.60

Stop Loss: 73.35

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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