

August 5, 2021

Daily Currency outlook

Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	August futures	Sell	74.36	74.10	74.51	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Nandish Patel
nandish.patel@icicisecurities.com

Rupee Pairs

Currency	Close	Pvs. Close	% Change
US\$-INR	74.18	74.28	-0.10
EUR-INR	87.75	88.16	-0.41
GBP-INR	103.05	103.18	-0.13
JPY-INR (Future)	68.12	68.15	-0.03

Global Bonds

Indices	Close	Pvs. Close	% Change
India 10 Year	6.19	6.20	-0.11
India 2 Year	4.57	4.61	-0.82
US 10 Year	1.20	1.18	1.19
US 2 Year	0.18	0.17	5.88
Germany 10 Year	-0.50	-0.48	-4.93

FII & FPI Activities

Segment	Purchase	Sell	Net Rs. crores
Equity	9016	6918	2098
Debt	286	757	-471
Net			1627

- The rupee strengthened for a third straight session on Wednesday, closing 10 paise higher at 74.18 amid a rally in equities

- After volatile price action in the dollar index and US yields, the dollar index reverted from its support level of 91.80.-92.00 on the back of an unexpected weak private employment report

- The Nifty opened gap up and continued to gain strength as it closed with a gain of more than 0.71%. Though heavyweight stocks witnessed healthy buying, broader markets witnessed profit booking. As per options data, substantial OI addition was seen at 16200, which should act as immediate support

- The Bank Nifty closed at the highest point in the past five months as it closed with a gain of more than 2.26%. Heavyweight banking stocks witnessed healthy buying while midcap and small cap banks were under selling pressure

- Foreign institutional investors (FII) turned net buyer to the tune of ₹ 1627 crore on August 3. They bought worth ₹ 2098 crore in the equity market and sold worth ₹ 471 crore in the debt market

US\$INR futures on NSE

Contracts	LTP	chng (%)	OI	Vol	(% change)	
					OI	Vol
August	74.34	-0.13	2316360	3168133	5.34	63.05
September	74.55	-0.15	351861	187779	6.69	81.67
August-Sept	0.21	-	-	2980354	-	

- The rupee is likely to trade between the level of 74.20 and 74.70 ahead of RBI's monetary policy as further additions were seen in ATM Call, Put strikes of US\$INR, which indicates consolidation around these levels
- The dollar-rupee August contract on the NSE was at ₹ 74.34 in the last session. The open interest was up by 5% for the August series

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Aug)	74.18	74.26	74.34	74.43	74.51
US\$INR (Sep)	74.41	74.48	74.56	74.64	74.72
EURINR (Aug)	88.03	88.13	88.27	88.38	88.52
EURINR (Sep)	88.33	88.43	88.58	88.67	88.82
GBPINR (Aug)	103.28	103.42	103.55	103.68	103.81
GBPINR (Sep)	103.60	103.72	103.85	103.97	104.09
JPYINR (Aug)	68.00	68.06	68.13	68.20	68.27
JPYINR (Sep)	68.20	68.26	68.33	68.39	68.47

US\$INR Strategy

US\$INR August futures contract (NSE)

Sell US\$INR in the range of 74.34-74.38	Market Lot: US\$1000
Target: 74.10/ 74.00	Stop Loss: 74.51
Support: 74.10/74.00	Resistance: 74.40/74.51

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 may have different view.



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Raj Deepak Singh BE, MBA (Finance), Nandish Patel BCOM, 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 is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst 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.