

August 23, 2021

Daily Currency outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Aug futures	Sell	74.40	74.22	74.53	1 day

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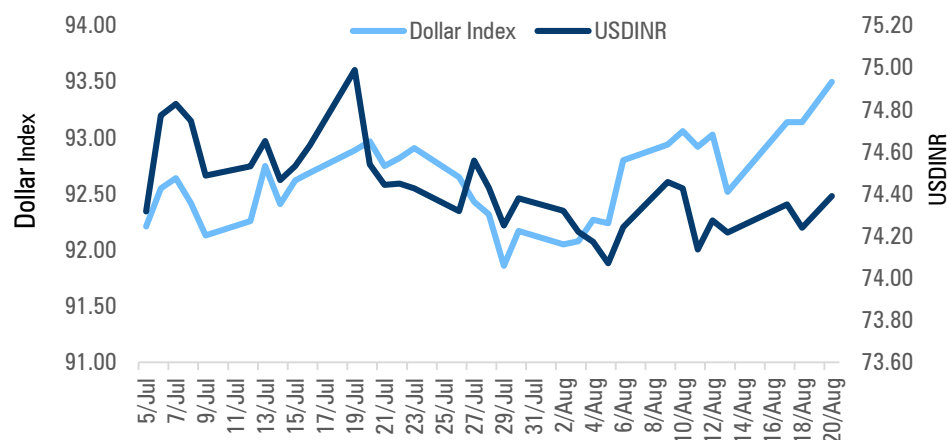
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Aug)	74.42	0.13%	2133659	-88910	1485521	376243
EURINR (Aug)	86.95	-0.18%	109592	-34942	163961	37246
GBPINR (Aug)	101.36	-0.86%	175436	-3452	309377	106272

Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR (Aug)	74.32	74.37	74.45	74.50	74.58
USDINR (Sep)	74.52	74.58	74.66	74.71	74.79
EURINR (Aug)	86.76	86.85	87.01	87.10	87.26
EURINR (Sep)	87.10	87.18	87.32	87.40	87.53
GBPINR (Aug)	101.08	101.22	101.45	101.59	101.81
GBPINR (Sep)	101.24	101.47	101.88	102.11	102.52

Dollar Index vs USDINR



- US dollar fell 0.07% on Friday and slipped from its nine and a half month high on a rise in risk appetite in the global markets. However, a sharp fall was cushioned as FOMC meeting minutes had signalled possibility of monetary tapering this year
- Rupee future maturing on August 27 depreciated by 0.13% on Friday's trading session on strong dollar and weak domestic markets. However, a sharp fall was prevented on softening of crude oil prices
- The rupee may appreciate today on weakness in the dollar and rise in risk appetite in the global markets. Further, softening of crude oil prices may support the rupee. However, sharp gains may be prevented as market participants are worried that spread of highly infectious delta variant may derail global economic recovery. Additionally, the market will remain vigilant ahead of Manufacturing and Services PMI data from major countries across the globe

US\$INR Strategy

USDINR August futures contract (NSE)

Sell USDINR in the range of 74.40-74.42	Market Lot: US\$1000
Target: 74.22	Stop Loss: 74.53
Support: 74.22/74.15	Resistance: 74.53/74.62

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.

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXV	93.50	93.57	-0.07%
USDINR	74.39	74.24	0.20%
EURUSD	1.1701	1.1679	0.19%
EURINR	86.84	86.97	-0.15%
GBPUSD	1.3627	1.3641	-0.10%
GBPINR	101.26	102.09	-0.81%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.287	6.287	0
US	1.261	1.246	0.015
UK	0.526	0.541	-0.015
Japan	0.012	0.017	-0.005
Germany	-0.494	-0.487	-0.007

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9953.54	8850.85	1102.69
Debt	436.05	190.71	245.34
Net			1348.03

- UK retail sales declined by 2.5% between June and July 2021 compared to 0.2% rise between May and June 2021
- Japan Flash Manufacturing PMI dipped to 52.4 in August 2021 from 53.0 in July 2021
- Euro appreciated by 0.19% on Friday amid weakness in dollar and rise in risk appetite in the global markets. Further, improved economic data from Germany supported the currency
- Euro is expected to continue its positive bias today on weakness in dollar and rise in risk appetite in the global markets. However, a sharp upside may be capped on concerns that spreading of Delta variant may derail global economy. Further, the market will take cues from Manufacturing and Services PMI data from Euro area, which is likely to show softer expansion in both sectors. As long as EURINR sustains above 86.90 it is likely to bounce back till 87.50
- The pound depreciated by 0.10% on Friday amid disappointing economic data from country and on worries that Delta Coronavirus variant could derail a global economic recovery. Retail sales unexpectedly fell sharply in July 2021
- The pound is likely to trade with a positive bias today on weakness in dollar and rise in risk appetite in global markets. However, sharp upside may be capped as market participants will keep an eye on manufacturing and services PMI data from the country, which is likely to show softer expansion in both sectors. As long as GBPINR sustain above 101.20 it is likely to rally till 102.0

Data	Country	Time	Actual	Expected	Previous	Impact
Flash Manufacturing PMI	Japan	6:00am	52.40	52.1	53	Medium
Flash Manufacturing PMI	France	12:45pm	-	57.1	58	Medium
Flash Services PMI	France	12:45pm	-	56.2	56.8	Medium
Flash Manufacturing PMI	Germany	1:00pm	-	65.1	65.9	High
Flash Services PMI	Germany	1:00pm	-	61	61.8	High
Flash Manufacturing PMI	Europe	1:30pm	-	62	62.8	Medium
Flash Services PMI	Europe	1:30pm	-	59.6	59.8	Medium
Flash Manufacturing PMI	UK	2:00pm	-	59.5	60.4	Medium
Flash Services PMI	UK	2:00pm	-	59	59.6	Medium
Flash Manufacturing PMI	US	7:15pm	-	62.4	63.4	Medium
Flash Services PMI	US	7:15pm	-	59.1	59.9	Medium
Existing Home Sales	US	7:30pm	-	5.82M	5.86M	Medium



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ANALYST CERTIFICATION

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