

August 30, 2021

## Daily Currency outlook

### Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Sep futures	Buy	86.85	87.15	86.70	1 day

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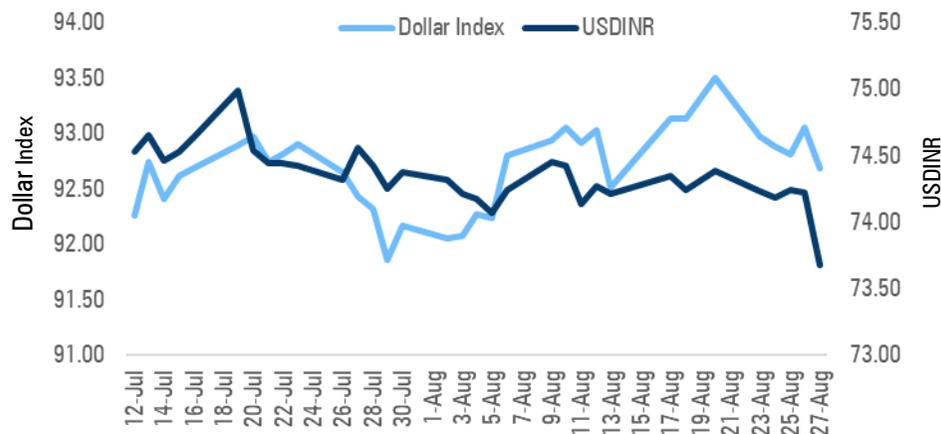
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Sep)	73.87	-0.76%	1883367	396963	3180196	2221293
EURINR (Sep)	86.93	-0.86%	106614	39484	240164	160636
GBPINR (Sep)	101.30	-1.00%	197848	88842	417231	281396

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR (Sep)	73.38	73.62	74.02	74.27	74.67
USDINR (Oct)	73.61	73.85	74.24	74.49	74.88
EURINR (Sep)	86.34	86.64	87.12	87.41	87.89
EURINR (Oct)	86.66	86.95	87.42	87.72	88.19
GBPINR (Sep)	100.66	100.98	101.51	101.83	102.36
GBPINR (Oct)	100.99	101.32	101.83	102.16	102.68

## Dollar Index vs USDINR



- US dollar declined 0.40% on Friday after US Federal Reserve Chairman Jerome Powell at the Jackson Hole meeting indicated the central bank may start tapering its bond buying programme by year end but will continue to hold interest rates at current level
- Rupee future maturing on September 28 appreciated by 0.76% on Friday's trading session on positive domestic markets. Further, traders remained cautious ahead of US Fed Chair Powell's speech
- The rupee is likely to continue its strength amid weakness in dollar, FII inflows and rise in risk appetite in the global markets. Market sentiments improved as the US Federal Reserve failed to offer exact timing of tapering beyond saying it could be this year. However, concerns over an uptick in daily Covid-19 cases in India and surge in crude oil prices may hurt the rupee. US\$INR (September) is likely to trade at 73.50-73.90

## EURINR Strategy

### EURINR September futures contract (NSE)

Buy EURINR in the range of 86.82-86.85

Target: 87.15

Stop Loss: 86.70

Support: 86.70/86.60

Resistance: 87.15/87.30

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Sep futures	Sell	87.55	87.25	87.70	Target Achieved

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
DXY	92.69	93.06	-0.40%
USDINR	73.68	74.22	-0.72%
EURUSD	1.1797	1.1752	0.38%
EURINR	86.63	87.38	-0.85%
GBPUSD	1.3761	1.3699	0.45%
GBPINR	101.04	102.00	-0.94%

## Global Bonds

Country	Close	Pvs. Close	Change
India	6.254	6.251	0.003
US	1.314	1.357	-0.043
UK	0.583	0.604	-0.021
Japan	0.025	0.021	0.004
Germany	-0.420	-0.406	-0.014

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7121.23	9381.05	-2259.82
Debt	245.43	310.14	-64.71
Net			-2324.53

- US Core PCE Price Index YoY increased 3.6% in July 2021 in line with expectations
- US Revised UoM Consumer Sentiment Index rose to 70.3 in August 2021 compared to initial estimate of 70.2
- Euro appreciated by 0.38% on Friday mainly on the back of weakness in the dollar. Further, a rise in risk appetite in global markets and improved economic data from Euro Area supported the single currency
- Euro is expected to trade with a positive bias on weakness in the dollar and rise in risk appetite in the global markets. However, sharp upsides may be capped on expectation of disappointing economic data from Euro Area. German CPI data is likely to show that inflation eased to 0.1% in August 2021 from 0.9% in July 2021. Additionally, ongoing concern that spreading of Delta variant may derail global economy will hurt currency
- Pound appreciated by 0.45% on Friday amid rise in risk appetite in the global markets and weakness in dollar. Market sentiments improved after US Federal Reserve Chairman Powell signalled no rush in monetary tightening
- The pound is expected to continue its positive bias on weakness in the dollar and rise in risk appetite in the global markets. However, sharp upsides may be capped on worries over rising Covid-19 cases in the UK. As long as GBPINR (September) sustains above 101.0, it is likely to rally till 101.60

Data	Country	Time	Actual	Expected	Previous	Impact
Prelim CPI m/m	Germany	5:30pm	-	0.10%	0.90%	Medium
Pending Home Sales m/m	US	7:30pm	-	0.50%	-1.90%	Medium



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## ANALYST CERTIFICATION

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