

August 31, 2021

Daily Currency outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Sep futures	Buy	73.55	73.85	73.40	1 day

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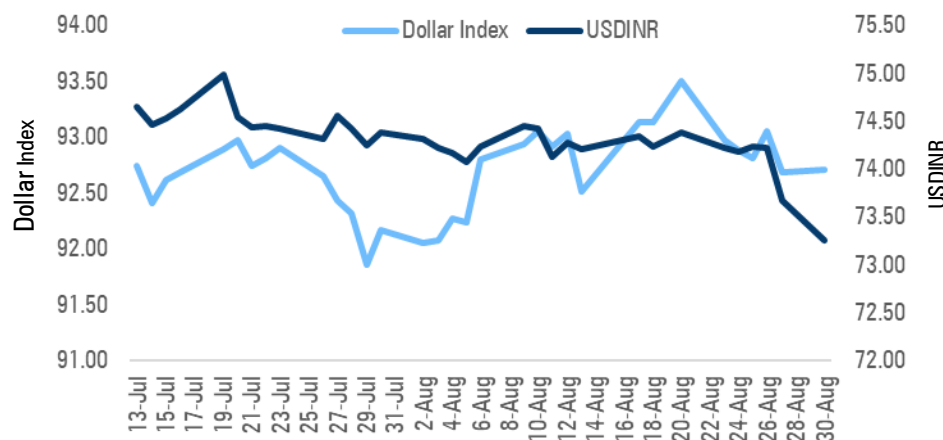
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Sep)	73.51	-0.48%	1949960	66593	2263502	-916694
EURINR (Sep)	86.77	-0.19%	101141	-5473	164003	-76161
GBPINR (Sep)	101.13	-0.17%	189318	-8530	235535	-181696

Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR (Sep)	73.18	73.35	73.57	73.74	73.96
USDINR (Oct)	73.37	73.54	73.80	73.97	74.23
EURINR (Sep)	86.42	86.59	86.87	87.05	87.32
EURINR (Oct)	86.73	86.90	87.18	87.35	87.62
GBPINR (Sep)	100.74	100.93	101.28	101.48	101.82
GBPINR (Oct)	101.06	101.26	101.60	101.80	102.14

Dollar Index vs USDINR



- US dollar increased 0.02% yesterday as it tried to recover from its drop after US Federal Reserve Chairman Powell indicated that central banks may start tapering their bond buying programme by year end but he was in no hurry to hike rates. However, further upside was capped on weaker-than-expected economic data
- Rupee future maturing on September 28 appreciated by 0.48% in yesterday's trading session on weakness in dollar, FII inflows and positive domestic markets
- The rupee is expected to trade with a negative bias on risk aversion in global markets and surge in crude oil prices. Further, market participants will keep an eye on GDP data from the country to get clues on economic revival. Additionally, concern on uptick in daily Covid-19 cases in India may hurt the rupee. However, weakness in dollar may prevent a sharp fall in rupee

USDINR Strategy

USDINR September futures contract (NSE)

Buy USDINR in the range of 73.52-73.55

Target: 73.85

Stop Loss: 73.40

Support: 73.40/73.30

Resistance: 73.75/73.85

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Sep futures	Buy	86.85	87.15	86.70	Not Initiated

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	92.71	92.69	0.02%
USDINR	73.26	73.68	-0.57%
EURUSD	1.1799	1.1797	0.02%
EURINR	86.44	86.63	-0.22%
GBPUSD	1.3760	1.3761	-0.01%
GBPINR	100.76	101.04	-0.28%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.225	6.254	-0.029
US	1.280	1.314	-0.034
UK	0.583	0.583	0
Japan	0.020	0.025	-0.005
Germany	-0.417	-0.420	0.003

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7516.70	8133.99	-617.29
Debt	528.90	220.04	308.86
Net			-308.43

- US pending home sales declined 1.8% in July 2021 compared to -2.0% in the preceding month
- German CPI YoY data showed inflation accelerated by 3.9% in August 2021 compared to 3.8% in July 2021
- Euro appreciated marginally by 0.02% yesterday on the back of a surge in domestic markets and improved economic data from Euro Area. However, further upside was capped as European Union recommended halting non essential travel from US amid rise in Covid-19 cases
- Euro is expected to trade with a positive bias on weakness in dollar and expectation of improved economic data from Euro Area. Euro Area CPI data is likely to show that inflation accelerated by 2.7% in August 2021 compared to 2.2% in preceding month. However, sharp upside may be capped on concern that spreading of Delta variant may derail global economy. As long as EURINR sustains above 86.70 it can rally till 87.20
- Pound depreciated by 0.01% yesterday amid strong dollar and post-Brexit concerns. UK government rejected calls from retail and logistics companies to temporarily ease post-Brexit immigration rules, which is contributing to shortage of truck drivers
- The pound is expected to trade with a positive bias on weakness in dollar. However, sharp upside may be capped on risk aversion in the global markets, expectation of disappointing economic data from country and ongoing post-Brexit concerns. Additionally, worries over rising Covid-19 cases in UK may hurt the pound. As long as GBPINR (September) sustains above 100.95 it is likely to rally till 101.65

Data	Country	Time	Actual	Expected	Previous	Impact
Manufacturing PMI	China	6:30am	50.10	50.20	50.40	Medium
Non-Manufacturing PMI	China	6:30am	47.50	52.10	53.30	Medium
Prelim GDP q/q	France	12:15pm	-	0.9%	0.9%	Medium
CPI Flash Estimate y/y	Europe	2:30pm	-	2.7%	2.2%	Medium
Core CPI Flash Estimate y/y	Europe	2:30pm	-	1.5%	0.7%	Medium
S&P/CS Composite-20 HPI y/y	US	6:30pm	-	17.50%	17%	Medium
Chicago PMI	US	7:15pm	-	68	73.4	Medium
CB Consumer Confidence	US	7:30pm	-	123.3	129.1	High



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ANALYST CERTIFICATION

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