

August 25, 2021

## Daily Currency outlook

### Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Aug futures	Buy	74.18	74.48	74.03	1 day

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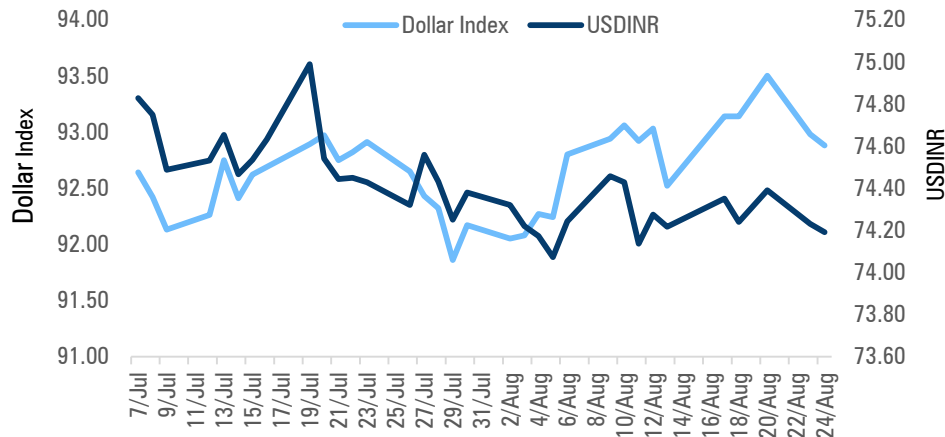
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Aug)	74.23	0.003%	1968732	-119475	1185434	-203672
EURINR (Aug)	87.19	0.13%	93641	-6582	88537	-17319
GBPINR (Aug)	101.85	0.32%	112961	-27592	277930	76527

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR (Aug)	74.07	74.15	74.20	74.28	74.34
USDINR (Sep)	74.15	74.29	74.38	74.52	74.60
EURINR (Aug)	86.96	87.08	87.15	87.27	87.34
EURINR (Sep)	87.31	87.39	87.44	87.52	87.57
GBPINR (Aug)	101.49	101.68	101.83	102.01	102.16
GBPINR (Sep)	101.80	101.99	102.14	102.32	102.48

## Dollar Index vs USDINR



- US dollar declined 0.11% amid rise in risk appetite in global markets. Market sentiments improved after USFDA granted full approval to Pfizer's Covid-19 vaccine
- Rupee future maturing on August 27 ended flat in yesterday's trading session
- The rupee may gain strength in early trading session on weakness in dollar and rise in risk appetite in the global markets. Market sentiments improved as US House passed a measure approving \$3.5 trillion budget blueprint and USFDA granted full approval to Covid-19 vaccine developed by Pfizer. However, in the later trading session, the rupee may give up its strength as market participants are worried that spread of highly infectious delta variant may derail the global economic recovery. Additionally, markets will remain vigilant ahead of the Jackson Hole Symposium

## US\$INR Strategy

### USDINR August futures contract (NSE)

Buy USDINR in the range of 74.15-74.18

Market Lot: US\$1000

Target: 74.48

Stop Loss: 74.03

Support: 74.03/73.95

Resistance: 74.40/74.48

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	92.88	92.98	-0.11%
USDINR	74.19	74.21	-0.02%
EURUSD	1.1759	1.1745	0.12%
EURINR	87.07	86.99	0.09%
GBPUSD	1.3729	1.3722	0.05%
GBPINR	101.76	101.43	0.33%

## Global Bonds

Country	Close	Pvs. Close	Change
India	6.250	6.243	0.007
US	1.295	1.252	0.043
UK	0.539	0.538	0.001
Japan	0.020	0.019	0.001
Germany	-0.474	-0.477	0.003

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7960.18	9314.82	-1354.64
Debt	212.21	351.91	-139.7
Net			-1494.34

Source: Bloomberg, Reuters, ICICI Direct Research

- German final GDP data showed economy expanded by 1.6% in Q2CY21
- US Richmond Manufacturing Index fell to 9 in August 2021 from 27 in July 2021
- US new home sales increased 1.0% to 708,000 in July 2021 from 701,000 in June 2021
- Euro appreciated by 0.12% yesterday mainly on the back of weakness in dollar, positive global markets and improved economic data. German final GDP data showed the economy expanded by 1.6% in Q2CY21 compared to estimate of 1.5%
- Euro is expected to continue its positive bias today on weakness in the dollar and as risk sentiment across markets recovered. Further, markets will take cues from German Ifo Business Climate Index. However, sharp upside may be capped on divergence in monetary policy and ongoing concern that spreading of Delta variant may derail the global economy. As long as EURINR sustains above 86.90 it is likely to bounce back till 87.50
- Pound appreciated by 0.05% yesterday amid weakness in dollar and rise in risk appetite in the global markets. However, disappointing economic data from the country continued to hurt the pound
- The pound is likely to continue its positive bias today on weakness in dollar and rise in risk appetite in global markets. However, expectation of disappointing economic data from UK will hurt pound. Additionally, market participants are worried over rising Covid-19 cases in the UK. As long as GBPINR sustain above 101.40 it is likely to rally till 102

<b>Data</b>	<b>Country</b>	<b>Time</b>	<b>Actual</b>	<b>Expected</b>	<b>Previous</b>	<b>Impact</b>
Ifo Business Climate	Germany	1:30pm	-	100.2	100.8	Medium
Core Durable Goods Orders m/m	US	6:00pm	-	0.50%	0.50%	Medium
Durable Goods Orders m/m	US	6:00pm	-	-0.20%	0.90%	Medium
Crude Oil Inventories	US	8:00pm	-	(1.9M)	(3.2M)	Medium



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