

September 2, 2021

Daily Currency outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Sep futures	Sell	73.28	73.00	73.43	1 day

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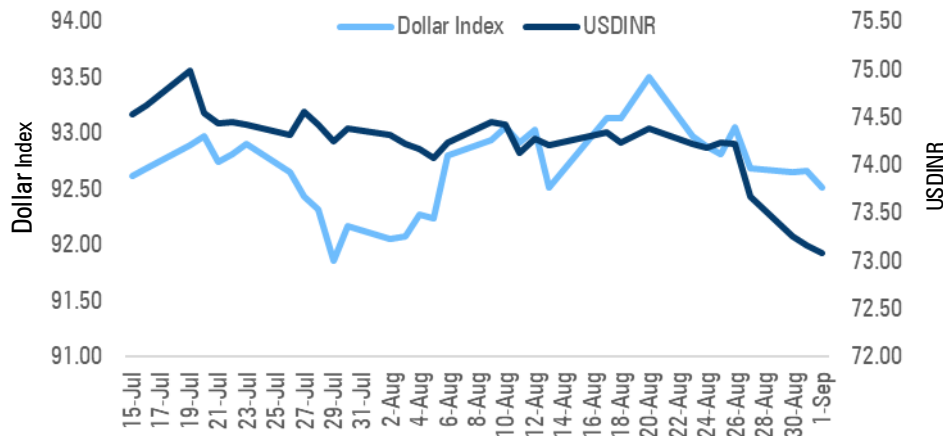
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Sep)	73.28	0.14%	1819627	-183172	1932646	-411328
EURINR (Sep)	86.65	-0.04%	97038	-1617	117651	-17837
GBPINR (Sep)	100.83	-0.03%	184963	-12369	174657	-61781

Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR (Sep)	73.00	73.14	73.25	73.38	73.49
USDINR (Oct)	73.21	73.35	73.45	73.59	73.69
EURINR (Sep)	86.16	86.41	86.56	86.81	86.96
EURINR (Oct)	86.47	86.71	86.86	87.11	87.25
GBPINR (Sep)	100.27	100.55	100.75	101.03	101.23
GBPINR (Oct)	100.59	100.87	101.06	101.34	101.54

Dollar Index vs USDINR



Source: Bloomberg, Reuters, ICICI Direct Research

- US dollar declined 0.12% amid weaker-than-expected jobs data. US ADP Employment report showed private payrolls rose by 374,000 in August 2021 compared to 326,000 in the preceding month but well short of 613,000 forecast. However, a sharp fall was prevented as manufacturing PMI data showed activity in the sector grew in August
- Rupee future maturing on September 28 depreciated by 0.14% in yesterday's trading session on firm dollar and weak stock indices. However, a sharp fall was prevented on FII inflows
- The rupee is expected to trade with a positive bias on rise in risk appetite in global markets, weakness in dollar and persistent FII inflows. Further, softening of crude oil prices will support rupee. Opec and its allies said they agreed to continue their existing policy of gradual output increases. However, sharp gains may be prevented on concern over uptick in daily Covid-19 cases in India

US\$INR Strategy

USDINR September futures contract (NSE)

Sell USDINR in the range of 73.28-73.30

Target: 73.00

Stop Loss: 73.43

Support: 73.10/73.00

Resistance: 73.43/73.55

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	Sep futures	Sell	100.72	100.40	100.85	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
DXY	92.52	92.63	-0.12%
USDINR	73.09	73.00	0.12%
EURUSD	1.1842	1.1808	0.29%
EURINR	86.36	86.34	0.02%
GBPUSD	1.3770	1.3756	0.10%
GBPINR	100.52	100.53	-0.01%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.199	6.215	-0.016
US	1.300	1.308	-0.008
UK	0.602	0.623	-0.021
Japan	0.031	0.026	0.005
Germany	-0.370	-0.381	0.011

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	21856.58	19043.57	2813.01
Debt	3093.75	1484.45	1609.3
Net			4422.31

- US ADP Non-Farm Employment Change increased by 374,000 in August 2021 compared to 326,000 in July 2021
- US ISM Manufacturing PMI increased to 59.9 in August 2021 from 59.5 in July 2021
- Euro appreciated by 0.29% yesterday on weakness in dollar. Further, a rise in eurozone inflation fuelled the expectation of scaling back stimulus measures. Inflation surged to a 10-year high in August 2021
- Euro is expected to trade with a positive bias on weakness in dollar and rise in risk appetite in the global markets. Further, the market is of the view that rising inflation may prompt ECB to scale back its stimulus measures. Furthermore, ECB Policymaker signalled at possible reduction in pace of emergency bond purchases. However, sharp upside may be capped on concerns that spreading of Delta variant may derail global economy. Additionally, market participants will take cues from economic data from Euro Area. As long as EURINR (September) sustains above 86.30 it can advance till 86.90
- The pound appreciated by 0.10% yesterday amid a rise in stock markets and weakness in dollar. Additionally, better than expected economic data from the country supported the pound. However, sharp upside was capped on post-Brexit concerns
- The pound is expected to trade with a positive bias on weakness in dollar and rise in risk appetite in the global markets. Further, improved economic data from the country will continue to support the pound. However, sharp upside may be capped on ongoing post-Brexit concerns and worries over rising Covid-19 cases in UK. As long as GBPINR (September) sustains above 100.50 it can rally till 101.10

Data	Country	Time	Actual	Expected	Previous	Impact
PPI m/m	Europe	2:30pm	-	1.3%	1.4%	Medium
Unemployment Claims	US	6:00pm	-	342K	353K	Medium
Factory Orders m/m	US	7:30pm	-	0.40%	1.50%	Medium



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ANALYST CERTIFICATION

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