

September 3, 2021

# Daily Currency outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Sep futures	Buy	86.93	87.20	86.78	1 day

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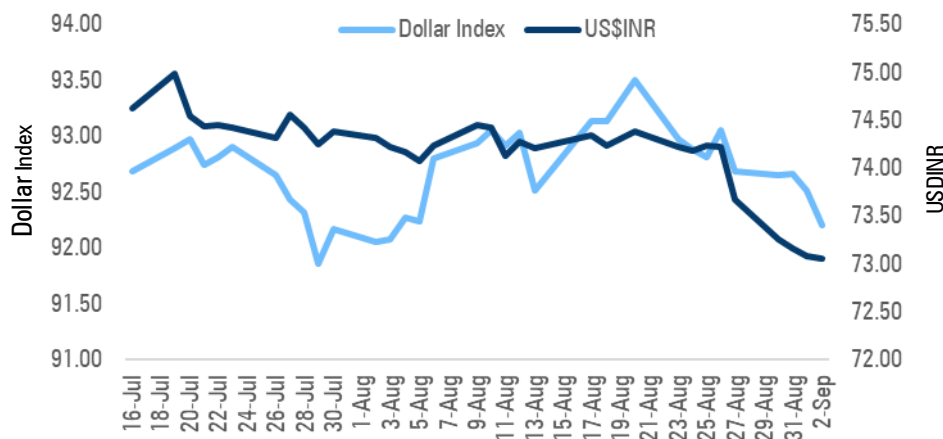
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Sep)	73.21	-0.09%	1731618	-88009	1572759	-359887
EURINR (Sep)	86.79	0.15%	95298	-1740	97994	-19657
GBPINR (Sep)	100.99	0.15%	178754	-6209	160893	-13764

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR (Sep)	73.02	73.11	73.20	73.30	73.39
USDINR (Oct)	73.24	73.32	73.41	73.50	73.59
EURINR (Sep)	86.52	86.65	86.76	86.89	87.00
EURINR (Oct)	86.49	86.79	86.97	87.26	87.44
GBPINR (Sep)	100.60	100.79	100.96	101.15	101.32
GBPINR (Oct)	100.94	101.12	101.27	101.45	101.61

## Dollar Index vs US\$INR



Source: Bloomberg, Reuters, ICICI Direct Research

- US dollar declined by 0.26% amid a rise in risk appetite in the global markets and decline in US treasury yields. Market sentiments improved after US jobless claims fell to a new pandemic low signalling strength in the labour market
- Rupee future maturing on September 28 appreciated by 0.09% in yesterday's trading session on weakness in dollar, positive domestic markets and consistent FII inflows. However, sharp gains were prevented on a surge in crude oil prices
- The rupee is expected to gain strength on weakness in the dollar, rise in risk appetite in global markets and persistent FII inflows. However, sharp gains may be prevented on a surge in crude oil prices and concern over uptick in daily Covid-19 cases in India. Further, traders will remain vigilant ahead of jobs data from the US for insight into the possible path of US Fed monetary policy. US\$INR (September) is likely to trade between 73.10 and 73.40.

## EURINR Strategy

### EURINR September futures contract (NSE)

Buy EURINR in the range of 86.90-86.93

Target: 87.20

Stop Loss: 86.78

Support: 86.78/86.65

Resistance: 87.20/87.30

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Sep futures	Sell	73.28	73.00	73.43	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	92.21	92.45	-0.26%
USDINR	73.06	73.09	-0.04%
EURUSD	1.1874	1.1842	0.27%
EURINR	86.59	86.36	0.26%
GBPUSD	1.3834	1.3770	0.46%
GBPINR	100.78	100.52	0.26%

## Global Bonds

Country	Close	Pvs. Close	Change
India	6.171	6.199	-0.028
US	1.289	1.300	-0.011
UK	0.590	0.602	-0.012
Japan	0.035	0.031	0.004
Germany	-0.383	-0.370	-0.013

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9365.50	8726.38	639.12
Debt	1669.23	193.10	1476.13
Net			2115.25

- US Unemployment claims data showed number of people filling for jobless claims fell by 14,000 to 340,000 for the week ending August 28, 2021
- US factory orders increased 0.4% in July 2021 compared to 1.5% in June 2021
- Euro appreciated by 0.27% yesterday on weakness in the dollar and a surge in stock markets. Further, a rise in eurozone inflation fuelled the expectation of scaling back stimulus measures. Additionally, hawkish statements from ECB policymakers supported the single currency
- Euro is expected to trade with a positive bias on weakness in dollar and optimistic market sentiments. Further, market participants are of the view that rising inflation may prompt ECB to scale back its stimulus measures. Also, hawkish statements from ECB Policymaker signalling possible reduction in pace of emergency bond purchases will be supportive for Euro. Additionally, market participants will take cues from economic data from Euro Area
- The pound appreciated by 0.46% yesterday mainly on the back of weakness in dollar and surge in stock markets. However, sharp upsides were capped on concerns over rising Covid-19 cases in the country
- The pound is expected to trade with a positive bias on weakness in dollar and rise in risk appetite in the global markets. Further, market participants will take cues from economic data. However, sharp upsides may be capped on ongoing post-Brexit concerns and worries over rising Covid-19 cases in the UK. As long as GBPINR (September) sustains above 101.10, it can rally till 101.50

Data	Country	Time	Actual	Expected	Previous	Impact
Retail Sales m/m	Europe	2:30pm	-	0.0%	1.5%	Medium
Average Hourly Earnings m/m	US	6:00pm	-	0.30%	0.40%	High
Non-Farm Employment Change	US	6:00pm	-	720K	943K	High
Unemployment Rate	US	6:00pm	-	5.20%	5.40%	High
ISM Services PMI	US	7:30pm	-	61.9	64.1	High



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## ANALYST CERTIFICATION

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