

September 9, 2021

# Daily Currency outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Sep futures	Buy	73.68	73.95	73.53	1 day

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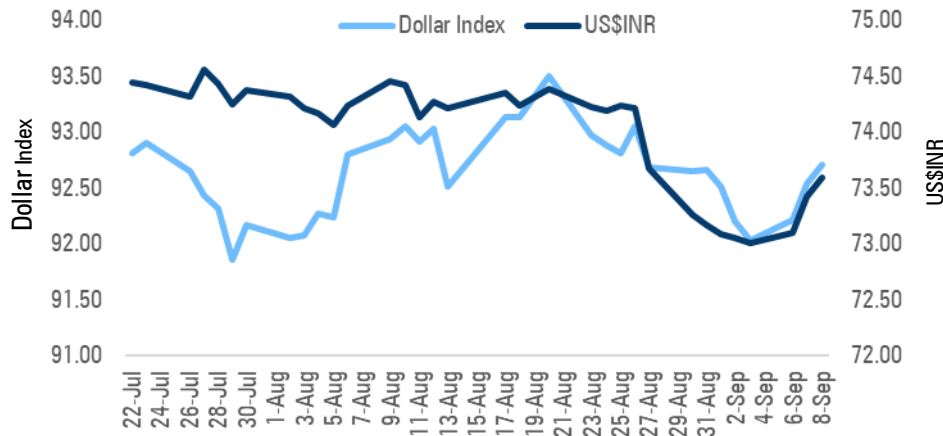
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Sep)	73.68	0.17%	1631606	-52494	2230818	351538
EURINR (Sep)	87.13	-0.25%	88935	-2562	129714	-21392
GBPINR (Sep)	101.51	0.01%	148141	-4321	170372	-59535

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR (Sep)	73.42	73.55	73.68	73.81	73.94
USDINR (Oct)	73.62	73.75	73.88	74.00	74.13
EURINR (Sep)	86.92	87.03	87.21	87.31	87.49
EURINR (Oct)	87.21	87.31	87.48	87.58	87.76
GBPINR (Sep)	101.21	101.36	101.51	101.65	101.80
GBPINR (Oct)	101.52	101.66	101.80	101.94	102.08

## Dollar Index vs US\$INR



Source: Bloomberg, Reuters, ICICI Direct Research

- US dollar increased by 0.18% yesterday on a decline in the equities and improved Jolts jobs data. However, sharp upside was capped on dovish statement from New York Fed President John Williams. Additionally, Beige book showed US economic recovery slowed over summer
- Rupee future maturing on September 28 depreciated by 0.17% in yesterday's trading session on a strong dollar and weak equities
- The rupee is expected to depreciate further amid strong dollar and risk averse mood globally. Market sentiments are hurt on concerns that rising Covid-19 cases may hurt economic growth. Further, the rupee may slipped on a surge in crude oil prices. Additionally, market participants are awaiting fresh cues from major central bank about how signs of slowing economic recovery and high inflation levels may influence their tapering plans

## US\$INR Strategy

### USDINR September futures contract (NSE)

Buy USDINR in the range of 73.65-73.68

Target: 73.95

Stop Loss: 73.53

Support: 73.53/73.40

Resistance: 73.85/73.95

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Sep futures	Sell	73.55	73.25	73.70	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
DXY	92.71	92.54	0.18%
USDINR	73.60	73.42	0.25%
EURUSD	1.1818	1.1843	-0.21%
EURINR	86.95	87.12	-0.19%
GBPUSD	1.3770	1.3785	-0.11%
GBPINR	101.25	101.34	-0.09%

## Global Bonds

Country	Close	Pvs. Close	Change
India	6.188	6.195	-0.007
US	1.344	1.373	-0.029
UK	0.652	0.643	0.009
Japan	0.046	0.041	0.005
Germany	-0.323	-0.321	-0.002

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7407.35	6764.81	642.54
Debt	951.04	787.20	163.84
Net			806.38

- Italian retail sales declined 0.4% in July 2021 compared to 0.7% rise in preceding month
- US Jolts job opening data showed job opening for July rose to 10.9 million compared to 10.2 million in the preceding month
- Euro depreciated by 0.21% yesterday mainly on the back of a strong dollar and risk aversion in the global markets. Further, euro slipped on disappointing economic data from Euro Area
- Euro is expected to trade with a negative bias on strong dollar and risk averse mood globally. Further, disappointing economic data from Euro Area will continue to hurt the single currency. Furthermore, market participants will remain cautious ahead of ECB monetary policy meeting to get cues on future monetary stance. If ECB disappoints market by keeping policy accommodative then we may see a further fall in the euro. As long as EURINR (September) sustains below 87.40 it can slip till 86.90
- The pound depreciated by 0.11% yesterday mainly on the back of strong dollar and risk aversion in the global markets. Further, the pound slipped as UK PM Boris Johnson unveiled plans to raise taxes to try to fix health and social care
- The pound is expected to trade with a negative bias on a strong dollar and risk aversion in global markets. Market sentiments were hurt on concerns on rising Covid-19 cases and uncertainty on when major central banks across globe may start tapering. Additionally, pound may slip on worries that economy is losing its momentum. Furthermore, British government set out plan to raise taxes. As long as GBPINR (September) sustains below 101.80 it can plunge till 101.30

Data	Country	Time	Actual	Expected	Previous	Impact
CPI y/y	China	7:00am	0.8%	1.0%	1.0%	Medium
Monetary Policy Statement	Europe	5:15pm	-	-	-	High
Main Refinancing Rate	Europe	5:15pm	-	0.00%	0.00%	High
ECB Press Conference	Europe	6:00pm	-	-	-	High
Unemployment Claims	US	6:00pm	-	343K	340K	Medium
Crude Oil Inventories	US	8:30pm	-	(5.9M)	(7.2M)	Medium



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## ANALYST CERTIFICATION

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