

September 14, 2021

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Sep futures	Sell	73.78	73.48	73.95	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Nandish Patel
nandish.patel@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

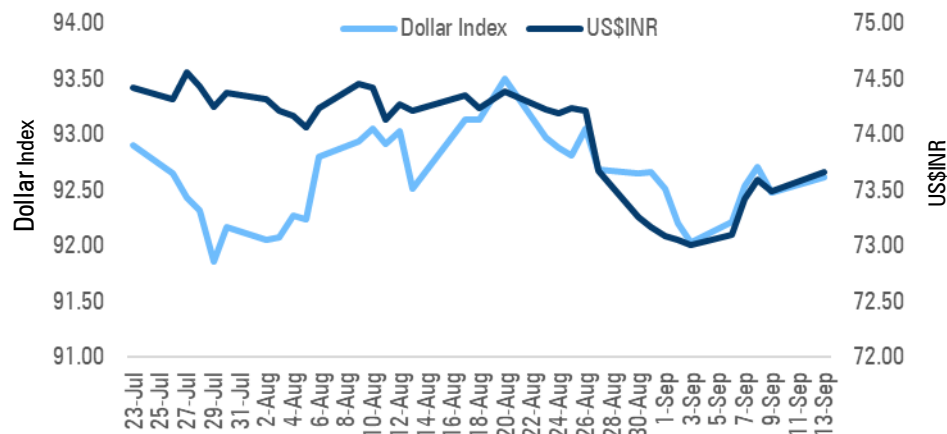
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Sep)	73.85	0.24%	1651273	4813	1780035	-511404
EURINR (Sep)	87.00	-0.21%	97296	7730	135333	28173
GBPINR (Sep)	102.06	0.28%	127987	-8744	258983	14025

Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR (Sep)	73.50	73.67	73.78	73.95	74.05
USDINR (Oct)	73.76	73.90	73.99	74.13	74.22
EURINR (Sep)	86.72	86.86	86.99	87.13	87.26
EURINR (Oct)	86.82	87.05	87.36	87.59	87.91
GBPINR (Sep)	101.59	101.83	101.99	102.23	102.39
GBPINR (Oct)	101.86	102.09	102.26	102.50	102.66

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, ICICI Direct Research

- US dollar increased by 0.04% yesterday on hawkish statements from Fed officials. Federal Reserve officials signalled possible tapering of asset purchases this year. However, sharp upsides were capped as market participants remained vigilant ahead of inflation data from the US
- Rupee future maturing on September 28 depreciated by 0.24% in yesterday's trading session on strong dollar and weak domestic stock indices
- The rupee is expected to appreciate amid weakness in dollar and rise in risk appetite in the global markets. Further, India CPI data showed inflation eased to 5.3% in August 2021 and remained within RBI's comfort zone for a second consecutive month. However, sharp gains may be prevented on a surge in crude oil prices and ongoing concerns that rising Covid-19 cases may derail global economic growth

US\$INR Strategy

USDINR September futures contract (NSE)

Sell USDINR in the range of 73.78-73.80

Target: 73.48

Stop Loss: 73.95

Support: 73.60/73.48

Resistance: 73.95/74.05

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Sep futures	Buy	73.70	73.95	73.55	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	92.62	92.58	0.04%
USDINR	73.67	73.49	0.25%
EURUSD	1.1811	1.1810	0.01%
EURINR	86.87	86.96	-0.11%
GBPUSD	1.3838	1.3833	0.04%
GBPINR	101.89	101.58	0.31%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.192	6.178	0.014
US	1.326	1.341	-0.015
UK	0.657	0.667	-0.01
Japan	0.046	0.045	0.001
Germany	-0.329	-0.327	-0.002

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	10728.01	9538.49	1189.52
Debt	2011.61	849.26	1162.35
Net			2351.87

- German WPI increased by 0.5% in August 2021 compared to 1.1% in July 2021
- India CPI data showed inflation eased to 5.3% in August 2021 compared to 6.69% in August 2020 and 5.59% in July 2021
- Euro appreciated marginally by 0.01% yesterday on a surge in domestic markets. However, it remained under pressure on a strong dollar and disappointing economic data
- Euro is expected to trade with a positive bias on weakness in the dollar and rise in risk appetite in the global markets. However, sharp upsides may be capped as disappointing economic data from Euro Area will continue to hurt the single currency. Additionally, the European Central Bank continued its easy money policy and did not provide any major surprise to the market. As expected it said it would start reducing the pace of emergency bond purchases but did not give any numerical guidance. EURINR (September) is expected to trade in a range of 87.20-86.80
- The pound appreciated by 0.04% yesterday amid a rise in domestic indices and on expectations that BoE may raise interest rates by the end of 2022. However, sharp upside was capped on strong dollar
- The pound is expected to trade with a positive bias on a weak dollar and rise in risk appetite in the global markets. Further, rise in inflation may spark expectations of an early rate hike by BoE compared to other major central bank. Market participants will remain cautious ahead of jobs data to get cues on labour market conditions. However, sharp upsides may be capped on concerns over rising Covid-19 cases. As long as GBPINR (September) sustains above 101.80, it can rally till 102.25

Data	Country	Time	Actual	Expected	Previous	Impact
Average Earnings Index 3m/y	UK	11:30am	-	8.2%	8.8%	Medium
Claimant Count Change	UK	11:30am	-	(71.7K)	(7.8K)	Medium
Unemployment Rate	UK	11:30am	-	4.60%	4.70%	Medium
CPI m/m	US	6:00pm	-	0.40%	0.50%	High
Core CPI m/m	US	6:00pm	-	0.30%	0.30%	High



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

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