

September 15, 2021

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Sep futures	Sell	73.80	73.50	73.95	1 day

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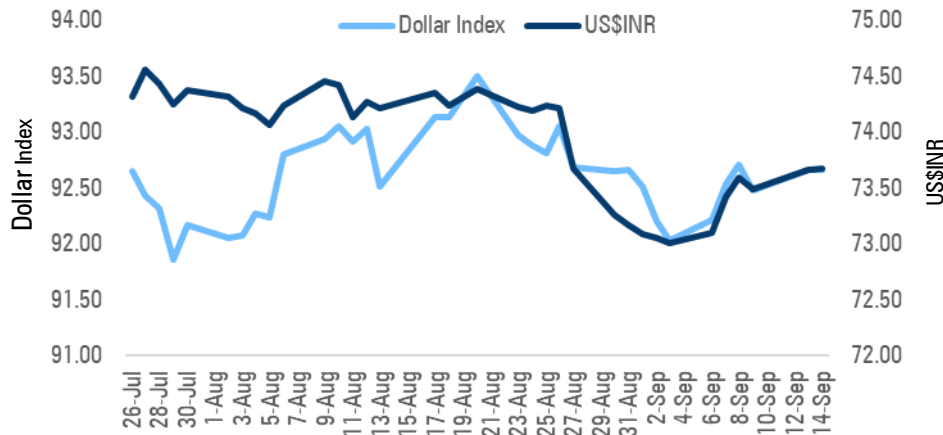
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Sep)	73.80	-0.07%	1624206	-27067	1464076	-315959
EURINR (Sep)	87.17	0.19%	89355	-7941	110831	-24502
GBPINR (Sep)	102.30	0.23%	148462	20475	224970	-34013

Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR (Sep)	73.60	73.70	73.76	73.86	73.92
USDINR (Oct)	73.80	73.90	73.96	74.06	74.12
EURINR (Sep)	86.97	87.07	87.16	87.26	87.34
EURINR (Oct)	87.24	87.34	87.42	87.52	87.61
GBPINR (Sep)	101.81	102.05	102.21	102.46	102.62
GBPINR (Oct)	102.08	102.32	102.47	102.70	102.85

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, ICICI Direct Research

- The US dollar declined marginally by 0.01% yesterday on a decline in US treasury yields. Yields fell after US CPI data showed inflation cooled down in August easing worries over runaway inflation. Soft inflation data pushed back market expectations of sooner tapering of bond purchases
- Rupee future maturing on September 28 appreciated by 0.07% in yesterday's trade on weakness in dollar and continued FII inflows
- The rupee is expected to appreciate amid weakness in the dollar and persistent FII inflows. Further, improved macroeconomic data will continue to support the rupee. However, sharp gains may be prevented on risk aversion in the global markets and surge in crude oil prices. Market sentiments were hurt on concerns over economic uncertainties and possibility of a corporate tax rate hike in the US

US\$INR Strategy

USDINR September futures contract (NSE)

Sell USDINR in the range of 73.80-73.82

Target: 73.50

Stop Loss: 73.95

Support: 73.60/73.50

Resistance: 73.95/74.05

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Sep futures	Sell	73.78	73.48	73.95	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	92.66	92.67	-0.01%
USDINR	73.68	73.67	0.01%
EURUSD	1.1804	1.1811	-0.06%
EURINR	87.01	86.87	0.16%
GBPUSD	1.3810	1.3838	-0.20%
GBPINR	102.13	101.89	0.24%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.198	6.192	0.006
US	1.291	1.326	-0.035
UK	0.653	0.657	-0.004
Japan	0.045	0.046	-0.001
Germany	-0.337	-0.329	-0.008

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	8677.34	7266.00	1411.34
Debt	669.10	413.95	255.15
Net			1666.49

- US Core CPI YoY data showed inflation eased to 4.0% in August 2021 compared to 4.3% in July 2021
- UK unemployment rate fell to 4.6% in July 2021 from 4.7% in preceding month
- Euro depreciated by 0.06% yesterday on a strong dollar and risk aversion in the global markets
- Euro is expected to trade with a positive bias on weakness in the dollar and expectation of improved economic data from the Euro Area. Euro Area Industrial production data is likely to show that activity in the sector accelerated in July 2021. However, sharp upsides may be capped on risk aversion in the global markets. Market sentiments were hurt on concerns that delta variant spread may derail global economic recovery and possibility of corporate tax rate hike in the US. EURINR (September) is expected to trade in a range of 87.00-87.40
- The pound depreciated by 0.20% yesterday amid strong dollar and risk averse mood globally. However, a sharp fall was cushioned on improved job data from country. Job data showed total number of payrolled employees has climbed to pre-pandemic levels
- The pound is expected to trade with a positive bias on a weak dollar. Further, market participants will remain vigilant ahead of CPI data. Rise in inflation may spark expectation of early rate hike by BoE compared to other major central bank. Additionally, job data showed continued recovery in labour market. However, sharp upside may be capped on risk aversion in the global markets and concerns over rising Covid-19 cases. GBPINR (September) is expected to trade in a range of 101.60-102.10

Data	Country	Time	Actual	Expected	Previous	Impact
CPI y/y	UK	11:30am	-	2.9%	2.0%	High
Core CPI y/y	UK	11:30am	-	2.90%	1.80%	High
Industrial Production m/m	Europe	2:30pm	-	0.60%	-0.30%	Medium
Empire State Manufacturing Index	US	6:00pm	-	18.1	18.3	Medium
Industrial Production m/m	US	6:00pm	-	0.50%	0.90%	Medium
Crude Oil Inventories	US	8:00pm	-	(3.6M)	(1.5M)	Medium



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