

September 16, 2021

Daily Currency outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Sep futures	Sell	73.60	73.30	73.75	1 day

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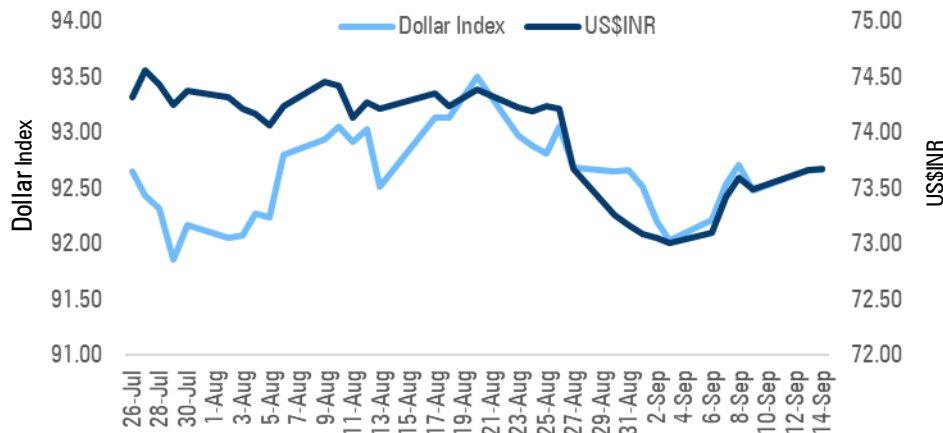
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Sep)	73.58	-0.29%	1595514	-28692	1849540	385464
EURINR (Sep)	87.04	-0.15%	87129	-2226	121448	10617
GBPINR (Sep)	101.69	-0.59%	127494	-20968	318142	93172

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.33	73.46	73.64	73.77	73.96
US\$INR (Oct)	73.52	73.65	73.86	73.99	74.20
EURINR (Sep)	86.83	86.93	87.08	87.18	87.33
EURINR (Oct)	87.12	87.21	87.35	87.45	87.59
GBPINR (Sep)	101.41	101.55	101.81	101.95	102.20
GBPINR (Oct)	101.71	101.84	102.08	102.21	102.45

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, ICICI Direct Research

- US dollar decrease by 0.14% yesterday as soft inflation data pushed back market expectations of sooner tapering of bond purchases. Further, dollar slipped on disappointing economic data from US and rise in US stock markets. Industrial production data showed activity in sector slowed down
- Rupee future maturing on September 28 appreciated by 0.29% in yesterday's trading session on rise in domestic markets, weakness in dollar and FII inflows into local shares
- Rupee is expected to appreciate amid weakness in dollar and persistent FII inflows. Further, rise in risk appetite in the domestic markets will be support for rupee. However, sharp gains may be prevented on surge in crude oil prices. Additionally, market participants will remain cautious ahead of major economic data's from US for insight into the possible path of US Fed monetary policy

US\$INR Strategy

USDINR September futures contract (NSE)

Sell USDINR in the range of 73.60-73.62

Target: 73.30

Stop Loss: 73.75

Support: 73.40/73.30

Resistance: 73.75/73.85

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Sep futures	Sell	73.80	73.50	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	92.49	92.62	-0.14%
US\$INR	73.49	73.68	-0.26%
EURUSD	1.1816	1.1804	0.10%
EURINR	86.92	87.01	-0.10%
GBPUSD	1.3842	1.3810	0.23%
GBPINR	101.61	102.13	-0.51%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.163	6.198	-0.035
US	1.301	1.291	0.01
UK	0.689	0.653	0.036
Japan	0.036	0.045	-0.009
Germany	-0.305	-0.337	0.032

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	10777.88	9147.96	1629.92
Debt	431.33	804.76	-373.43
Net			1256.49

- UK CPI data showed inflation accelerated by 3.2% in August 2021 compared to 2.0% in July 2021
- US Industrial Production increased by 0.4% in August 2021 compared to 0.8% in preceding month
- Euro appreciated by 0.10% yesterday on weak dollar and improved economic data from Euro Area. Euro Area Industrial production data showed activity in sector expanded by 1.5% in July 2021 in contrast to 0.1% decline in June 2021
- Euro is expected to trade with positive bias on weakness in dollar and rise in risk appetite in the global markets. Further, upbeat economic data from Euro Area will continue to support single currency. However, sharp upside may be capped as market participants will remain vigilant ahead of ECB President Lagarde speech. EURINR(Sep) expected to trade in a range between 86.80-87.20
- Pound appreciated by 0.23% yesterday amid weakness in dollar. Further, UK inflation hit a more than 9 year high fueling expectations of sooner monetary tightening
- Pound is expected to trade with positive bias on weak dollar and rise in risk appetite in the global markets. Further, rise in inflation and upbeat job data may spark expectation of early rate hike by BOE compared to other major central bank. However, sharp upside may be capped on concern over rising covid-19 cases. GBPINR (Sep) expected to trade in a range between 101.50-102.0

Data	Country	Time	Actual	Expected	Previous	Impact
Core Retail Sales m/m	US	6:00pm	-	-0.1%	-0.4%	High
Retail Sales m/m	US	6:00pm	-	-0.70%	-1.10%	High
Philly Fed Manufacturing Index	US	6:00pm	-	18.9	19.4	Medium
Unemployment Claims	US	6:00pm	-	325K	310K	Medium



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ANALYST CERTIFICATION

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