

September 17, 2021

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Sep futures	Buy	73.60	73.90	73.45	1 day

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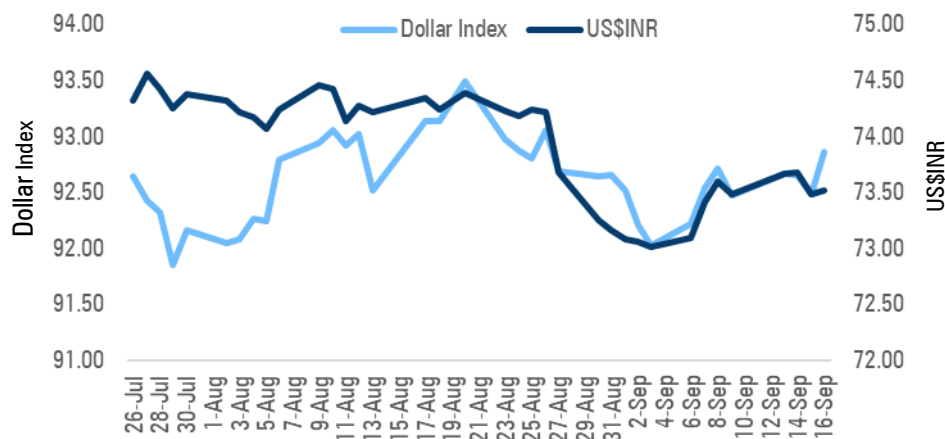
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Sep)	73.60	0.02%	1529049	-66465	1796572	-52968
EURINR (Sep)	86.67	-0.42%	103802	16673	150743	29295
GBPINR (Sep)	101.76	0.07%	126610	-884	221180	-96962

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.32	73.46	73.55	73.69	73.79
US\$INR (Oct)	73.53	73.67	73.76	73.89	73.98
EURINR (Sep)	86.33	86.50	86.75	86.92	87.18
EURINR (Oct)	86.61	86.78	87.03	87.20	87.44
GBPINR (Sep)	101.40	101.58	101.72	101.90	102.03
GBPINR (Oct)	101.69	101.86	102.00	102.18	102.31

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, ICICI Direct Research

- US dollar increased by 0.35% yesterday amid a surge in US treasury yields and decline in US stock markets. Further, the dollar gained strength as retail sales data unexpectedly increased in August easing some concerns over slowdown in economy. Additionally, US jobless claims rose last week but remained near pandemic low
- Rupee future maturing on September 28 depreciated by 0.02% in yesterday's trading session on a strong dollar and surge in crude oil prices
- The rupee is expected to depreciate on a strong dollar. Additionally, market participants will remain vigilant ahead of Fed policy meeting scheduled next week to look for indication when the bank will start tapering its stimulus. Further, surge in crude oil prices may hurt the rupee. However, a sharp fall may be prevented on rise in risk appetite in domestic markets, FII inflows

US\$INR Strategy

USDINR September futures contract (NSE)

Buy USDINR in the range of 73.60-73.62

Target: 73.90

Stop Loss: 73.45

Support: 73.45/73.35

Resistance: 73.80/73.90

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Sep futures	Sell	73.60	73.30	73.75	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	92.87	92.55	0.35%
US\$INR	73.52	73.49	0.03%
EURUSD	1.1765	1.1816	-0.43%
EURINR	86.52	86.92	-0.46%
GBPUSD	1.3790	1.3842	-0.38%
GBPINR	101.55	101.61	-0.06%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.169	6.163	0.006
US	1.335	1.301	0.034
UK	0.727	0.689	0.038
Japan	0.045	0.036	0.009
Germany	-0.300	-0.305	0.005

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9703.34	8870.73	832.61
Debt	957.68	1057.20	-99.52
Net			733.09

- US retail sales increased by 0.7% in August 2021 in contrast to 1.8% decline in July 2021
- US unemployment claims rose to 332K for the week ending September 11, 2021 from pandemic low of 312K a week earlier
- Euro depreciated by 0.43% yesterday on strong dollar. However, sharp downside was cushioned on rise in domestic markets and optimistic statement from ECB President Lagarde. She said Eurozone economy is recovering sooner than anticipated just 6 months ago mostly due to rapid vaccination campaign and combined GDP is now expected to return to its pre-crisis level before year end
- Euro is expected to trade with a negative bias on strong dollar. However, sharp downside may be cushioned on rise in risk appetite in the domestic markets. Further, market participants will take cues from CPI data, which is likely to show that inflation accelerated by 3.0% in August 2021. EURINR (September) is expected to trade in a range of 86.50-87.0
- The pound depreciated by 0.38% yesterday amid strong dollar. However, sharp downside was cushioned on expectation that surge in inflation may push BOE to tighten its monetary policy sooner than expected
- The pound is expected to trade with a negative bias on strong dollar. However, a sharp fall may be prevented as rise in inflation and upbeat job data sparked expectation of early rate hike by BoE compared to other major central banks. Additionally, the market will take cues from retail sales data, which is likely to increase by 0.5% in August 2021. GBPINR (September) is expected to trade in a range of 101.30-101.90

Data	Country	Time	Actual	Expected	Previous	Impact
Retail Sales m/m	UK	11:30am	-	0.5%	-2.5%	Medium
Final CPI y/y	Europe	2:30pm	-	3.00%	2.20%	Medium
Prelim UoM Consumer Sentiment	US	7:30pm	-	71.9	70.3	High



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ANALYST CERTIFICATION

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