

September 22, 2021

# Daily Currency outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Sep futures	Buy	73.70	74.00	73.55	1 day

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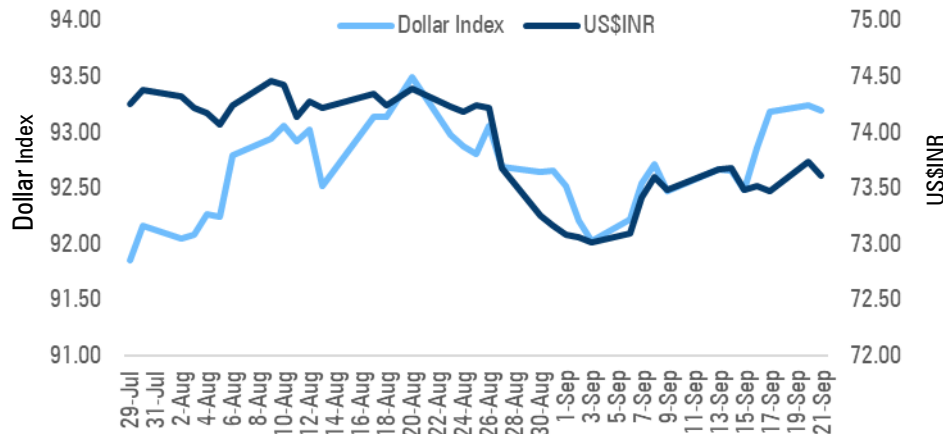
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Sep)	73.71	-0.03%	1513636	22900	1357901	-607612
EURINR (Sep)	86.54	0.19%	100252	-12801	103910	-23898
GBPINR (Sep)	100.86	-0.06%	166159	-522	155836	-104215

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.53	73.62	73.71	73.80	73.90
US\$INR (Oct)	73.20	73.56	73.97	74.33	74.75
EURINR (Sep)	86.34	86.44	86.50	86.60	86.66
EURINR (Oct)	86.63	86.72	86.78	86.88	86.94
GBPINR (Sep)	100.55	100.71	100.82	100.98	101.09
GBPINR (Oct)	100.85	101.01	101.12	101.28	101.39

## Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- US dollar decline by 0.04% yesterday as US stocks ended mixed. Further, market participants awaited outcome of Fed monetary policy meeting. However, sharp fall was prevented on rise in US treasury yields and improved economic data
- Rupee future maturing on September 28 appreciated by 0.03% in previous trading session on weakness in dollar, rise in stock indices and consistent FII inflows
- Rupee is expected to depreciate on strong dollar and risk aversion in the global markets. Market sentiments are hurt on worries over slowing global economic growth and impact of potential default of China's second largest real estate company on debt of more than \$300 billion. Additionally, investors are looking forward to Fed policy meeting for any signs on when bank will start tapering its stimulus. However, sharp fall may be prevented on persistent FII inflows

## US\$INR Strategy

### USDINR September futures contract (NSE)

Buy USDINR in the range of 73.70-73.72

Target: 74.0

Stop Loss: 73.55

Support: 73.60/73.50

Resistance: 73.90/74.0

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Sep futures	Buy	73.65	73.95	73.50	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	93.20	93.24	-0.04%
US\$INR	73.61	73.74	-0.18%
EURUSD	1.1727	1.1728	-0.01%
EURINR	86.40	86.36	0.05%
GBPUSD	1.3659	1.3658	0.01%
GBPINR	100.78	100.90	-0.12%

## Global Bonds

Country	Close	Pvs. Close	Change
India	6.122	6.138	-0.016
US	1.325	1.313	0.012
UK	0.715	0.703	0.012
Japan	0.040	0.050	-0.01
Germany	-0.313	-0.318	0.005

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7794.27	7714.88	79.39
Debt	1322.21	676.48	645.73
Net			725.12

- US Building permits rose by 6% to 1.73M units in August 2021 from 1.63M units in July 2021
- US Housing starts increase by 3.9% to 1.62M units in August 2021 from 1.55M units in July 2021
- Euro depreciated marginally by 0.01% yesterday. However, sharp downside was cushioned on weakness in dollar and rise in domestic indices
- Euro is expected to trade with negative bias on strong dollar and risk-off mood. Market sentiments are hurt on worries over slowing global economic growth due to fast spreading delta variant and fears that China's Evergrande a property giant could default on its massive debt. Further, market participants will remain vigilant ahead of Fed policy meeting to look for indication when central bank will begin scaling back its massive bond buying program. EURINR(Sep) expected to trade in a range between 86.30-86.70
- Pound appreciated marginally by 0.01% yesterday amid weakness in dollar and as domestic markets stabilized. Further, pound got some support from record \$137 billion demand for its first "green" government bond amounting to \$10 billion. However, sharp gains were prevented on weak economic data from country
- Pound is expected to trade with negative bias on strong dollar and risk aversion in the global markets. Further, investors will remain cautious ahead of outcome of Bank of England monetary policy meeting scheduled Thursday. Additionally, disappointing economic data from country is tapering hawkish BOE expectations ahead of policy meeting. GBPINR (Sep) expected to trade in a range between 100.60-101.10

Data	Country	Time	Actual	Expected	Previous	Impact
Existing Home Sales	US	7:30pm	-	5.87M	5.99M	Medium
Crude Oil Inventories	US	8:00pm	-	(3.3M)	(6.4M)	Medium
FOMC Economic Projections	US	11:30pm	-	-	-	High
FOMC Statement	US	11:30pm	-	-	-	High
Federal Funds Rate	US	11:30pm	-	<0.25%	<0.25%	High



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## ANALYST CERTIFICATION

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