

September 28, 2021

Daily Currency Outlook

Daily Recommendation						
Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Oct Fut	Buy	73.91	74.25	73.73	1 day

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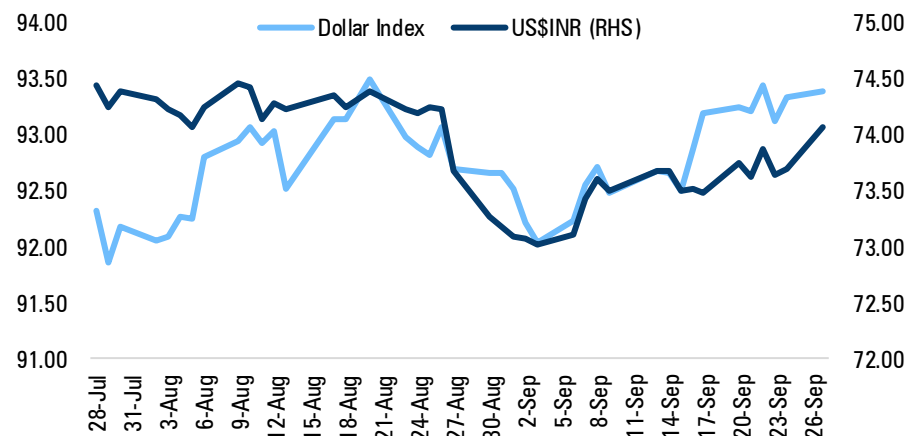
Currency Futures

Futures	LTP	% Change	Open Interest	% Change in OI	Volume	% Change in Vol
USDINR 27OCT2021	74.06	0.09	1341450	46.63	1560167	129.65
EURINR 27OCT2021	86.70	-0.13	60435	35.58	87365	84.85
GBPINR 27OCT2021	101.48	0.17	78677	6.61	124540	62.26

Pivot Levels

Futures	S2	S1	Pivot	R1	R2
USDINR 27OCT2021	73.74	73.90	73.99	74.15	74.25
USDINR 26NOV2021	73.99	74.14	74.23	74.38	74.47
EURINR 27OCT2021	86.36	86.53	86.65	86.82	86.93
EURINR 26NOV2021	86.68	86.85	86.96	87.13	87.24
GBPINR 27OCT2021	100.61	101.04	101.37	101.81	102.14
GBPINR 26NOV2021	101.07	101.43	101.63	101.99	102.19

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The U.S. dollar index gained for a second straight session on Monday, bolstered by the rise in Treasury yields ahead of a slew of Federal Reserve speakers this week who could reinforce expectations of the start of asset purchase tapering before the end of the year.
- Rupee future maturing on October 27 depreciated by 0.09% on Monday's trading session on surge in crude oil prices and uptick in dollar index.
- Rupee is expected to depreciate further on strength in dollar index along with rising crude prices which are likely to put further pressure on the rupee. However, persistent FII inflows will be supportive for rupee and sharp losses may be prevented. Furthermore, Central bank speakers will be in focus this week, with Fed Chair Jerome Powell joining Treasury Secretary Janet Yellen in speaking to Congress.

US\$INR Strategy

USDINR October futures contract (NSE)

Buy USDINR in the range of 73.90-73.92

Target: 74.25

Stop Loss: 73.73

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Sep Fut	Sell	73.85	73.55	74.00	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 Pairs

Currency Pair	Close	Change	% Change
USD/INR	73.86	0.05	0.07
EUR/USD	1.17	0.00	-0.10
EUR/INR	86.43	-0.03	-0.04
GBP/USD	1.37	0.00	0.21
GBP/INR	101.26	0.30	0.30

Global Bonds

10 Year Bond Yields	Close	Change	% Change
India	6.21	0.03	0.00
US	1.48	0.02	1.43
UK	0.95	0.00	-0.26
Japan	0.06	0.00	1.85
Germany	-0.22	0.00	-0.22

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net ₹ Crores
Equity	11619	11049	570
Debt	1563	530	1033
Net			1603

- The euro traded flat, largely ignoring developments in German elections at the weekend, with the Social Democrats projected to narrowly defeat the CDU/CSU conservative bloc.
- The European Central Bank, meanwhile, hosts an annual forum, with not only ECB President Christine Lagarde speaking to open day one, but also joining a panel discussion on day two with Powell, Bank of Japan Governor Haruhiko Kuroda and Bank of England Governor Andrew Bailey.
- Euro is expected to trade with mixed bias as investors will remain cautious ahead of ECB president Lagarde speech to get cues on future monetary stance and outcome of German federal elections. EURINR (Oct) is expected to trade in a range between 86.50-86.90 levels for the day.
- Sterling rose on Monday as expectations that the Bank of England could hike interest rates early next year gave some support, but fears of a tough winter for the British economy capped its gains.
- Bank of England Governor Andrew Bailey said on Monday that he and other members of the Monetary Policy Committee saw a growing case to raise interest rates, echoing a statement published by the central bank after last week's policy decision.
- Pound is expected to trade with positive bias as investors expect Bank of England to raise interest rates early next year. GBPINR (Oct) is expected to remain supported around 101 level.

Economic Calendar

Data	Currency	Time (IST)	Actual	Expected	Previous
ECB President Lagarde Speaks	EUR	5:30 PM	-	-	-
S&P/CS HPI Composite - 20 n.s.a. (YoY) (Jul)	USD	6:30 PM	-	20.0%	19.1%
CB Consumer Confidence (Sep)	USD	7:30 PM	-	114.5	113.8
Fed Chair Powell Testifies	USD	7:30 PM	-	-	-



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ANALYST CERTIFICATION

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