

September 29, 2021

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Oct Fut	Buy	74.19	74.60	73.94	1 day

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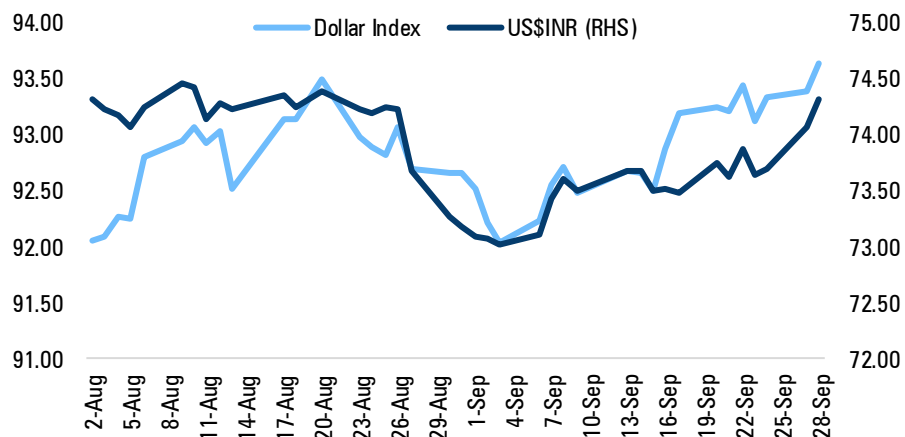
Currency Futures

Futures	LTP	% Change	Open Interest	% Change in OI	Volume	% Change in Vol
USDINR 27OCT2021	74.31	0.36	1735103	29.35	3124174	100.25
EURINR 27OCT2021	86.87	0.18	86939	43.86	237530	171.88
GBPINR 27OCT2021	101.16	-0.33	110272	40.16	339325	172.46

Pivot Levels

Futures	S2	S1	Pivot	R1	R2
USDINR 27OCT2021	73.80	74.05	74.20	74.46	74.61
USDINR 26NOV2021	74.04	74.29	74.44	74.70	74.85
EURINR 27OCT2021	86.46	86.66	86.78	86.99	87.11
EURINR 26NOV2021	86.77	86.97	87.09	87.28	87.40
GBPINR 27OCT2021	100.70	100.93	101.33	101.56	101.96
GBPINR 26NOV2021	101.03	101.26	101.64	101.86	102.24

Dollar Index vs US\$INR



- Rupee future maturing on October 27 depreciated by 0.3% on Tuesday's trading session on a surge in crude oil prices and uptick in the dollar index
- The US dollar index rose to its highest in more than five weeks and the Japanese yen dropped vs. both dollar and euro, as rising US and European government bond yields made their currencies more attractive to Japanese buyers
- US Treasury yields have surged since the end of last week, after the Federal Reserve said it will likely begin reducing its monthly bond purchases as soon as November and hinted that interest rate hikes may follow more
- The rupee is expected to depreciate further on renewed strength in the dollar index along with a rally in crude prices, which is likely to put further pressure on the rupee

US\$INR Strategy

USDINR October futures contract (NSE)

Buy USDINR in the range of 74.18-74.20

Target: 74.60

Stop Loss: 73.94

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Oct Fut	Buy	73.91	74.25	73.73	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	74.07	0.25	0.34
EUR/USD	1.17	0.00	-0.07
EUR/INR	86.56	0.24	0.28
GBP/USD	1.36	-0.01	-0.60
GBP/INR	100.83	-0.27	-0.27

Global Bonds

10 Year Bond Yields	Close	Change	% Change
India	6.23	0.02	0.29
US	1.54	0.05	3.48
UK	1.03	0.07	7.63
Japan	0.08	0.00	2.74
Germany	-0.19	0.04	15.62

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net ₹ Crores
Equity	8167	8586	-419
Debt	6051	1511	4540
Net			4121

- The euro was little changed at \$1.16995, hovering near the more than one-month low of \$1.16835 reached on Thursday. The European Central Bank also began a two-day conference, with Governor Christine Lagarde giving opening remarks
- German 10-year bund yields, while below those on JGBs, got catapulted to the highest level since the start of July at minus 0.191% from as low as minus 0.340% just a week ago
- The euro is expected to trade with a mixed bias as a stronger dollar is likely to keep pressure on the single currency while investors are also looking ahead to ECB President Lagarde's speech to get cues on future monetary stance. EURINR (October) is expected to trade in a range of 86.60-87.00 levels for the day
- The Sterling fell versus a strengthening dollar on Tuesday after US treasury yields jumped to the highest in almost three months following hawkish US Federal Reserve remarks
- Petrol station pumps ran dry in British cities and vendors rationed sales as a post-Brexit shortage of truckers triggered panic buying and raised fears that hospitals would be left without doctors and nurses
- The pound is expected to trade with a negative bias amid a stronger dollar and a gloomy UK economic outlook. GBPINR (October) is expected to fall towards 100.90 level for the day

Economic Calendar

Data	Currency	Time (IST)	Actual	Expected	Previous
Pending Home Sales (MoM) (Aug)	USD	7:30 PM	-	1.4%	-1.8%
Crude Oil Inventories	USD	8:00 PM	-	-2.333M	-3.481M
BoE Gov Bailey Speaks	GBP	9:15 PM	-	-	-
Fed Chair Powell Speaks	USD	9:15 PM	-	-	-
BoJ Governor Kuroda Speaks	JPY	9:15 PM	-	-	-
ECB President Lagarde Speaks	EUR	9:15 PM	-	-	-



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ANALYST CERTIFICATION

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