

October 5, 2021

Daily Currency Outlook

Daily Recommendation						
Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Oct Fut	Buy	74.41	74.70	74.24	1 day

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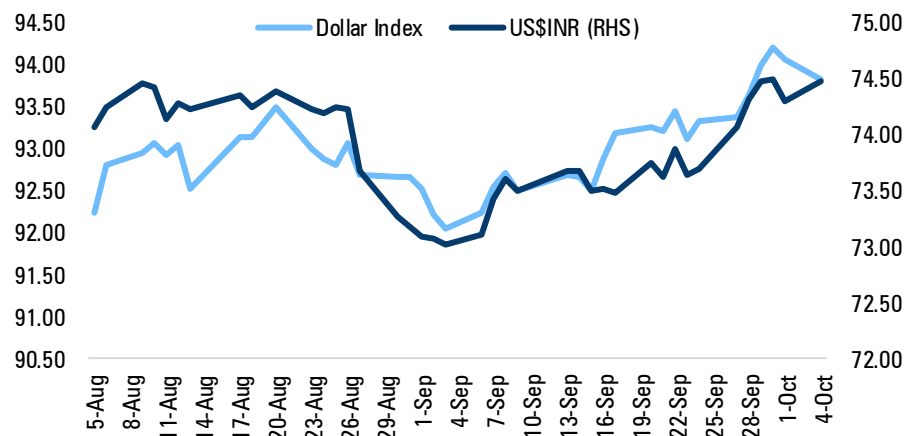
Currency Futures

Futures	LTP	% Change	Open Interest	% Change in OI	Volume	% Change in Vol
USDINR 27OCT2021	74.48	0.25	1671843	-3.97	1962213	-4.85
EURINR 27OCT2021	86.64	0.54	84084	-16.94	148428	13.61
GBPINR 27OCT2021	101.24	0.71	125989	-19.61	256925	31.40

Pivot Levels

Futures	S2	S1	Pivot	R1	R2
USDINR 27OCT2021	74.17	74.32	74.45	74.61	74.74
USDINR 26NOV2021	74.39	74.55	74.69	74.85	74.98
EURINR 27OCT2021	86.02	86.33	86.50	86.81	86.97
EURINR 26NOV2021	86.34	86.65	86.81	87.11	87.27
GBPINR 27OCT2021	100.26	100.75	101.01	101.50	101.77
GBPINR 26NOV2021	100.70	101.12	101.35	101.77	101.99

Dollar Index vs US\$INR



- Rupee future maturing on October 27 depreciated by 0.25% in Monday's trading session due to higher crude prices
- The dollar index eased against a basket of currencies on Monday, pulling back from the one-year high hit last week, as traders looked to US jobs data at the end of the week for clues to the Federal Reserve's next move
- The dollar found little support from data on Monday that showed new orders for US-made goods accelerated in August, even as economic growth appeared to have slowed in the third quarter due to shortages of raw material and labour
- The rupee is expected to depreciate further as rising crude prices along with tapering fears from the US Fed may put more pressure on the rupee, going forward

US\$INR Strategy

USDINR October futures contract (NSE)

Buy USDINR in the range of 74.40-74.42

Target: 74.70

Stop Loss: 74.24

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Oct Fut	Sell	74.35	74.05	74.50	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 Pairs

Currency Pair	Close	Change	% Change
USD/INR	74.48	0.35	0.47
EUR/USD	1.16	0.00	0.22
EUR/INR	86.54	0.58	0.67
GBP/USD	1.36	0.01	0.45
GBP/INR	101.34	0.92	0.91

Global Bonds

10 Year Bond Yields	Close	Change	% Change
India	6.25	0.00	0.00
US	1.48	0.01	0.70
UK	1.01	0.00	0.20
Japan	0.05	0.00	0.00
Germany	-0.22	0.00	-0.46

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net ₹ Crores
Equity	9354	7759	1595
Debt	1073	1120	-47
Net			1548

- Euro is expected to trade with a mixed bias as a hawkish US Fed is likely to provide support to the dollar against the single currency. EURINR (October) is expected to trade in the range of 86.30-86.80 levels for the day
- Speculators in the forex market have grown increasingly bullish on the US currency in recent weeks, with net long bets on the US dollar climbing to its highest since March 2020, data showed
- The Fed has signalled it will likely begin reducing its monthly bond purchases as soon as November but a big stumble in labour data could delay its plans
- Friday's data is expected to show continued improvement in the job market, with a forecast for 488,000 jobs to have been added in September, enough to keep the Federal Reserve on course to begin tapering before year's end
- Sterling consolidated near a six-day high against both the dollar and the euro on Monday, extending gains from a late recovery last week after it hit its lowest levels since December 2020
- Rising inflation expectations early last week saw bond yields climb higher and hit risk sentiment in equity markets, pushing sterling to \$1.3412, its lowest level since December 2020. Sterling moves closely in line with global risk sentiment
- Pound is expected to trade with a mixed bias as concerns weigh about shortage of workers in supply chains and disputes with the EU over Northern Ireland. GBPINR (October) is expected to trade in the range of 100.80-101.30 levels for the day

Data	Currency	Time (IST)	Expected	Previous
Markit Composite PMI (Sep)	EUR	1:30 PM	56.1	56.1
Services PMI (Sep)	EUR	1:30 PM	56.3	56.3
Composite PMI (Sep)	GBP	2:00 PM	54.1	54.1
Services PMI (Sep)	GBP	2:00 PM	54.6	54.6
Trade Balance (Aug)	USD	6:00 PM	-70.50B	-70.10B
ISM Non-Manufacturing PMI (Sep)	USD	7:30 PM	60	61.7
ECB President Lagarde Speaks	EUR	8:30 PM	-	-



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ANALYST CERTIFICATION

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