

October 12, 2021

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Oct futures	Buy	75.40	75.70	75.25	1 day

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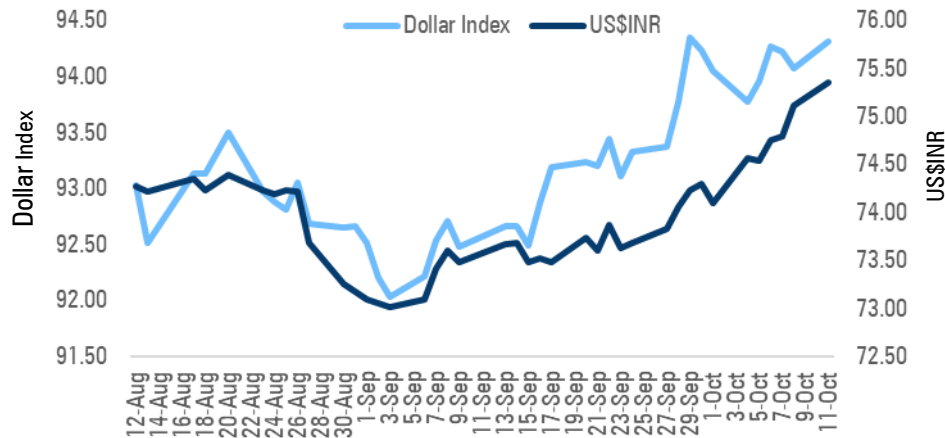
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Oct)	75.50	0.51%	1968672	20915	2339036	-789834
EURINR (Oct)	87.34	0.54%	79650	-5876	162249	-2011
GBPINR (Oct)	102.86	0.52%	170642	11319	215068	-39958

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	75.02	75.26	75.39	75.63	75.76
US\$INR (Nov)	75.28	75.51	75.64	75.86	75.99
EURINR (Oct)	86.83	87.09	87.23	87.48	87.62
EURINR (Nov)	87.10	87.37	87.52	87.79	87.94
GBPINR (Oct)	102.32	102.60	102.77	103.04	103.21
GBPINR (Nov)	102.57	102.87	103.05	103.36	103.54

Dollar Index vs US\$INR



- US dollar increased by 0.26% yesterday amid risk aversion in the global markets. Market sentiments were hurt on concerns that soaring oil prices may stoke fears about rising inflation and tighter monetary policy
- Rupee future maturing on October 27 depreciated by 0.51% in yesterday's trading session on a strong dollar and surge in crude oil prices. Further, the rupee slipped on FII outflows
- The rupee is expected to depreciate on a strong dollar, FII outflows and surge in crude oil prices. Further, the rupee may slip on risk aversion in global markets. Market sentiments are weak on worries rising inflation may push major central banks across globe to tighten monetary policy sooner. However, a sharp fall may be prevented on anticipation of improved economic data from country. India CPI data is likely to show inflation eased in September and stayed within RBI's comfort zone

US\$INR Strategy

USDINR October futures contract (NSE)

Buy USDINR in the range of 75.38-75.40

Target: 75.70

Stop Loss: 75.25

Support: 75.25/75.15

Resistance: 75.60/75.70

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Oct futures	Sell	75.15	74.85	75.30	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	94.32	94.08	0.26%
US\$INR	75.36	74.98	0.51%
EURUSD	1.1553	1.1567	-0.12%
EURINR	87.10	86.73	0.43%
GBPUSD	1.3592	1.3611	-0.14%
GBPINR	102.65	102.22	0.41%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.344	6.318	0.026
US	1.613	1.613	0
UK	1.192	1.163	0.029
Japan	0.097	0.088	0.009
Germany	-0.118	-0.148	0.03

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	4030.80	6520.57	-2489.77
Debt	171.68	1524.78	-1353.1
Net			-3842.87

- Italian industrial production declined by 0.2% in August 2021 compared to 1.0% rise in July 2021
- Euro depreciated by 0.12% yesterday mainly on the back of a strong dollar and risk-off mood globally. Further, disappointing economic data from Euro Area added downside pressure on single currency. Additionally, ECB reluctance to begin tapering its monetary stimulus weighed on the euro
- Euro is expected to trade with a negative bias on a strong dollar and divergence in monetary policy. Further, the euro may slip on risk aversion in global markets and expectation of disappointing economic data from the euro area. German ZEW Economic sentiment index is likely to decline for a fifth consecutive month. The index is likely to fall to 23.7 in October 2021 from 26.5 in September 2021. Market sentiments were hurt on concerns soaring oil prices may stoke fears of rising inflation and tighter monetary policy. EURINR (October) is expected to trade in a range of 87.0-87.40
- The pound depreciated by 0.14% yesterday on a strong dollar and risk aversion in the global markets. However, a sharp fall was cushioned on expectations that Bank of England could raise interest rates to curb inflation
- The pound is expected to trade with a negative bias on a strong dollar and risk off mood globally. However, a sharp fall may be cushioned as soaring inflation fuelled expectations of an early rate hike. Additionally, anticipation of improved job data from Britain may support the pound. UK unemployment rate is forecast to decline to 4.5% in August 2021 from 4.6% in July 2021. GBPINR (October) is expected to trade in a range of 102.40-102.95

Data	Country	Time	Actual	Expected	Previous	Impact
Average Earnings Index 3m/y	UK	11:30AM	-	6.9%	8.3%	Medium
Claimant Count Change	UK	11:30AM	-	(60.5K)	(58.6K)	Medium
Unemployment Rate	UK	11:30AM	-	4.50%	4.60%	Medium
ZEW Economic Sentiment	Europe	2:30PM	-	27.9	31.1	Medium
German ZEW Economic Sentiment	Europe	2:30PM	-	23.7	26.5	Medium
CPI YoY	India	5:30PM	-	4.50%	5.30%	High
JOLTS Job Openings	US	7:30PM	-	10.95M	10.93M	Medium



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ANALYST CERTIFICATION

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