

October 13, 2021

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Oct futures	Sell	75.60	75.30	75.75	1 day

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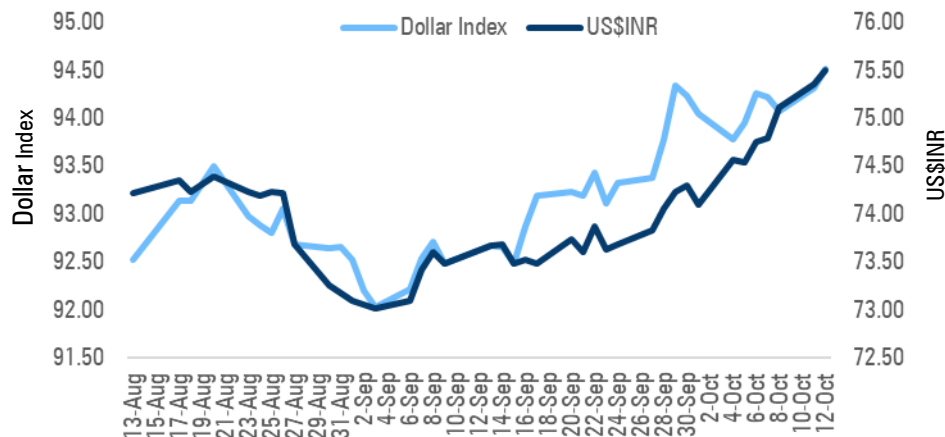
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Oct)	75.60	0.14%	2042087	73415	3319106	980070
EURINR (Oct)	87.36	0.02%	80471	821	191431	29182
GBPINR (Oct)	102.91	0.04%	167478	-3164	242048	26980

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	75.03	75.32	75.55	75.83	76.07
US\$INR (Nov)	75.28	75.56	75.79	76.06	76.29
EURINR (Oct)	86.78	87.07	87.35	87.64	87.91
EURINR (Nov)	87.09	87.37	87.65	87.93	88.20
GBPINR (Oct)	102.18	102.54	102.76	103.13	103.35
GBPINR (Nov)	102.49	102.85	103.07	103.43	103.64

## Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- US dollar increased yesterday amid risk aversion in the global markets and on anticipation that rising energy prices would fuel inflation and push US Fed to start tapering sooner
- Rupee future maturing on October 27 depreciated by 0.14% in yesterday's trading session on strong dollar, surge in crude oil prices and FII outflows. Additionally, investors remained vigilant ahead of macroeconomic data
- The rupee is expected to appreciate on a weak dollar, improved macroeconomic data and rise in risk appetite in the global markets. India CPI data showed that inflation eased to a five month low of 4.35% in September and remained within RBI's comfort zone. Market sentiments may improve as US House of Representatives approved legislation to temporarily raise government borrowing limit averting default. However, investors will remain vigilant ahead of FOMC meeting minutes

## US\$INR Strategy

### USDINR October futures contract (NSE)

Sell USDINR in the range of 75.60-75.62

Target: 75.30

Stop Loss: 75.75

Support: 75.30/75.20

Resistance: 75.75/75.85

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Oct futures	Buy	75.40	75.70	75.25	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	94.52	94.32	0.21%
US\$INR	75.50	75.36	0.19%
EURUSD	1.1531	1.1553	-0.19%
EURINR	87.29	87.10	0.22%
GBPUSD	1.3578	1.3592	-0.10%
GBPINR	102.74	102.65	0.09%

## Global Bonds

Country	Close	Pvs. Close	Change
India	6.326	6.344	-0.018
US	1.575	1.613	-0.038
UK	1.154	1.192	-0.038
Japan	0.096	0.097	-0.001
Germany	-0.082	-0.118	0.036

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	14178.03	14503.37	-325.34
Debt	265.51	926.01	-660.5
Net			-985.84

- IMF cut its global growth forecast for 2021 to 5.9% from 6% in its July report
- UK unemployment rate fell to 4.5% in August from 4.6% in preceding month
- German ZEW Economic sentiment index fell to 21.0 in October from 31.1 in September
- Euro depreciated yesterday mainly on the back of a strong dollar and decline in stock markets. Further, disappointing economic data from Euro Area added downside pressure on single currency. German ZEW Economic sentiment index declined for a fifth consecutive month, showing supply bottlenecks holding back recovery
- Euro is expected to trade with a negative bias on divergence in monetary policy and expectation of disappointing economic data from euro area. Euro Area Industrial production is forecasted to decline by 1.8% in August. Additionally, investors will remain vigilant ahead of inflation data from US and FOMC meeting minutes. EURINR (October) is expected to trade in a range of 86.80-87.40
- The pound depreciated yesterday amid strong dollar and risk aversion in the global markets. Further, mixed economic data weighed on the pound. However, a sharp fall was cushioned on expectations that the Bank of England could raise interest rates to curb inflation
- The pound is expected to trade with a positive bias on weak dollar, rise in risk appetite in the global markets and anticipation of improved economic data. Additionally, soaring inflation may fuel the expectation of early rate hike. GBPINR (October) is expected to trade in a range of 102.60-103.10

Data	Country	Time	Actual	Expected	Previous	Impact
GDP m/m	UK	11:30AM	-	0.5%	0.1%	Medium
Industrial Production m/m	Europe	2:30PM	-	-1.80%	1.50%	Medium
CPI m/m	US	6:00PM	-	0.30%	0.30%	High
Core CPI m/m	US	6:00PM	-	0.20%	0.10%	High
FOMC Meeting Minutes	US	11:30PM	-	-	-	High



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## ANALYST CERTIFICATION

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