

November 9, 2021

Daily Currency outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	Nov futures	Buy	100.30	100.65	100.10	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Mohit Agarwal
mohit.agarwal@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

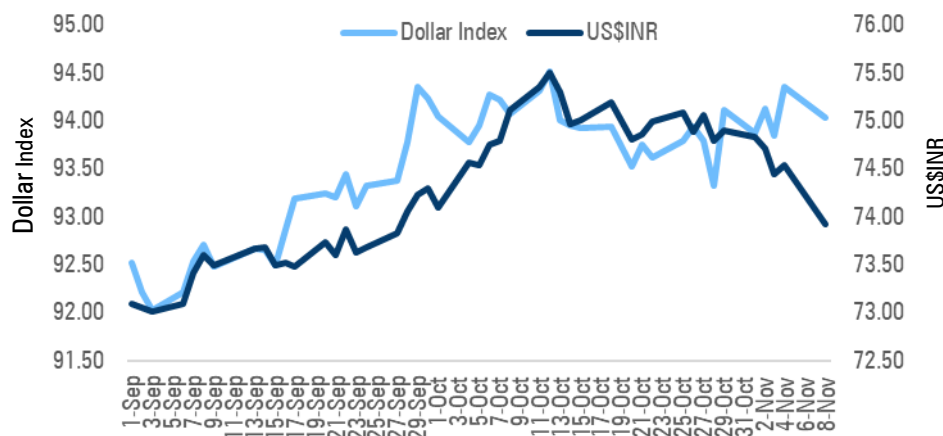
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Nov)	74.25	-0.48%	2315195	7000	2235657	7587
EURINR (Nov)	85.96	-0.46%	85200	8864	117283	-5721
GBPINR (Nov)	100.26	-0.85%	242577	32749	208416	21894

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	73.88	74.07	74.34	74.52	74.79
US\$INR (Dec)	74.23	74.37	74.55	74.69	74.87
EURINR (Nov)	85.66	85.81	85.98	86.13	86.31
EURINR (Dec)	85.97	86.13	86.34	86.50	86.71
GBPINR (Nov)	99.41	99.83	100.45	100.87	101.49
GBPINR (Dec)	99.90	100.26	100.75	101.11	101.61

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- US dollar retreated from its 15-month high and declined 0.3% yesterday as US stocks closed at record highs. Market sentiments improved on passage of \$1 trillion infrastructure bill and on signs that economic recovery in US remains on track. However, sharp downside was cushioned on hawkish statements from US Federal Reserve officials
- Rupee future maturing on November 26 appreciated by 0.48% yesterday on IPO related inflows and rise in risk appetite in the domestic markets. However, further gains were prevented on firm dollar
- Rupee is expected to appreciate today on the back of weakness in dollar and optimistic domestic markets. Further, IPO related inflows may support rupee. However, sharp gains may be prevented on proliferated crude oil prices and as investors will remain vigilant ahead of US Federal Reserve speech. US\$INR (November) is expected to trade in a range of 74.00-74.40

GBPINR Strategy

GBPINR November futures contract (NSE)

Buy GBPINR in the range of 100.28-100.30

Target: 100.65

Stop Loss: 100.10

Support: 100.10/100.0

Resistance: 100.65/100.75

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Nov futures	Buy	74.60	74.90	74.45	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
DX	94.03	94.31	-0.30%
US\$INR	74.02	74.46	-0.59%
EURUSD	1.1588	1.1566	0.19%
EURINR	85.55	86.23	-0.79%
GBPUSD	1.3563	1.3494	0.51%
GBPINR	99.77	101.43	-1.64%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.301	6.357	-0.056
US	1.492	1.453	0.039
UK	0.858	0.847	0.011
Japan	0.061	0.064	-0.003
Germany	-0.242	-0.278	0.036

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9051.18	9570.73	-519.55
Debt	203.08	397.31	-194.23
Net			-713.78

- Euro appreciated by 0.19% yesterday majorly on the back of strong dollar and improved economic data from Euro Area. However, sharp upside was capped on divergence in monetary policy and on statement from ECB chief economist Philip Lane. He reiterated banks message that inflation is transitory and will ease next year
- Euro is expected to trade with negative bias on divergence in monetary policy and expectation of disappointing economic data from Euro Area. German and Euro Area ZEW Economic sentiment index forecasted to decline in November 2021. Series of weak economic data from euro area may fuel the worries over slowdown in economy. Additionally, ECB chief economist Philip Lane comment on inflation that it is transitory and will ease next year indicates that bank may continue with its easy money policy. EURINR(Nov) expected to trade in a range of 85.80-86.20
- Pound appreciated by 0.51% yesterday on weakness in dollar. However, sharp upside was capped as Bank of England left its benchmark interest rates unchanged. Out of 9 members 7 voted to keep rates at its all time low
- Pound is expected to trade with positive bias on weak dollar and rise in risk appetite in the global markets. Further, investors will keep an eye on Bank of England Governor Bailey comments in panel discussion jointly hosted by US Federal Reserve, ECB, BOE and Bank of Canada. However, sharp upside may be capped on worries over post-Brexit quarrel with EU over Northern Ireland trading arrangements. Additionally, Bank of England squashed market expectations by keeping benchmark interest rates unchanged

Data	Country	Time	Actual	Expected	Previous	Impact
ZEW Economic Sentiment	Europe	3:30PM	-	20.6	21	Medium
German ZEW Economic Sentiment	Europe	3:30PM	-	20.3	22.3	Medium
ECB President Lagarde Speaks	Europe	6:30PM	-	-	-	Medium
PPI m/m	US	7:00PM	-	0.60%	0.50%	High
Fed Chair Powell Speaks	US	7:30PM	-	-	-	High
BOE Gov Bailey Speaks	UK	9:30PM	-	-	-	High



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

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