

September 16, 2020

# Daily Currency outlook

## Recommendation in the report

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Sep	Sell	73.75	73.45	73.95	1 day

### Research Analysts

**Raj Deepak Singh**

rajdeepak.singh@icicisecurities.com

**Dipesh Dedhia**

dipesh.dedhia@icicisecurities.com

**Nandish Patel**

nandish.patel@icicisecurities.com

**Mohit Agarwal**

mohit.agarwal@icicisecurities.com

## INR Futures

Currency Pair	Close	Pvs. Close	% Change
US\$INR (Sep)	73.71	73.59	0.17
EURINR (Sep)	87.68	87.39	0.33
GBPINR (Sep)	95.23	94.77	0.49
JPY INR (Sep)	69.84	69.46	0.55

- US\$INR futures traded flat to positive on Tuesday as the dollar index remained steady against a basket of major currencies. However, stronger domestic equities capped gains in the pair
- The dollar index dropped earlier on expectations the Federal Reserve will maintain its downbeat stance on the US economy as it grapples with the pandemic, and keep US interest rates near zero for some time

## Global Bonds

Bonds	Close	Change	% Change
India 10 Year	6.03	0.00	0.00
India 2 Year	4.47	-0.01	0.00
US 10 Year	0.68	0.01	1.96
US 2 Year	0.14	0.00	0.00
Germany 10 Year	-0.48	0.00	-0.31

- For a major part of the day, the index consolidated with 11500 acting as a midpoint. Buying in banking and pharma led the index to end positive with decent gain of 80 points. On the options front, additions were seen in ATM Call and Put strike. We feel a consolidation move will take place before crossing the 11600 hurdles
- In early hours the Bank Nifty managed to hold Put base of 21000 and reversed during the day. Axis Bank, Kotak Mahindra Bank and IndusInd Bank witnessed short covering, which helped the Bank Nifty to end above 21500 with a gain of 1.8%

## FII & FPI Activities

Segment	Purchase	Sell	Net ₹ Crores
Equity	6388	5788	600
Debt	867	638	229
Net			829

- Foreign institutional investors (FII) were net buyers to the tune of ₹ 829 crore on September 14, 2020. They bought worth ₹ 600 crore in the equity market and also bought worth ₹ 229 crore in the debt market. In September, FIIs have bought equities worth ₹ 1905 crore so far, while in the debt market they have bought worth ₹ 1464 crore so far

## US\$INR futures on NSE

Contracts	LTP	(% change)	OI	Vol	(% change)	
					OI	Vol
Sep	73.71	0.17	1343095	2120531	3.26	5.68
Oct	73.93	0.16	486137	224492	10.15	-10.37
Sep-Oct	-0.22	-	-	1896039	-	-

- The Fed will begin a two-day meeting. Markets expect the US central bank to affirm its current zero-interest-rate policy over the next three years, which should keep further pressure on the dollar
- The dollar-rupee September contract on the NSE was at 73.71 in the last session. The open interest in the September series increased 3.26% while it also increased by 10.15% in the next series

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.22	73.46	73.65	73.90	74.09
US\$INR (Oct)	73.45	73.69	73.87	74.11	74.29
EURINR (Sep)	87.14	87.41	87.57	87.84	88.00
EURINR (Oct)	87.41	87.69	87.86	88.14	88.30
GBPINR (Sep)	94.13	94.68	94.98	95.53	95.83
GBPINR (Oct)	94.37	94.93	95.24	95.81	96.12
JPY INR (Sep)	69.35	69.60	69.74	69.98	70.12
JPY INR (Oct)	69.55	69.80	69.95	70.20	70.35

## US\$INR Strategy

### US\$INR Sep futures (NSE)

Sell US\$INR in the range of 73.74-73.76

Market Lot: US\$1000

Targets: 73.55, 73.45

Stop Loss: 73.95

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 which may have different view.



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Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto: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](mailto:research@icicidirect.com)

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I/We, Raj Deepak Singh BE, MBA (Finance), Nandish Patel BCom, Dipesh Dedhia BCom, MBA (Finance), Mohit Agarwal BSc, MBA (Finance) authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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