

Daily Currency outlook

Recommendation in the report						
Currency pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	September futures	Sell	72.14	71.80	72.29	1-2 days

Other Product offerings

Monthly Currency and Thematic reports

Currency	Action
US\$INR Put	-

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Spot Currency

Currency	Close	Pvs. Close	% Change
US\$INR	72.38	72.97	-0.80
Dollar index	93.91	94.54	-0.66
EUR-US\$	1.1777	1.1673	0.89
GBP-US\$	1.3265	1.3144	0.92
US\$-JPY	112.49	112.28	0.19
AUD-US\$	0.7292	0.7263	0.40
US\$-CHF	0.9590	0.9672	-0.85

Global Equity Indices

Indices	Close	Pvs. Close	% Change
Dow Jones	26247	26062	0.71
Nasdaq	7494	7435	0.80
FTSE	7300	7302	-0.03
DAX	12158	12096	0.51
HangSang	27353	27085	0.99
Nikkei	23777	23421	1.52
SGX Nifty	11341	11315	0.23

*Asian equity indices at 8.00 am

Source: Bloomberg, ICICI Direct Research

- The rupee reversed its losses and ended up 0.80% amid news the government may consider import duties on non-essential commodities to address current account deficit. It is expected to open further higher owing to losses in US\$ since Wednesday's close
- The US\$ declined sharply against Euro and British pound amid profit booking ahead of US Fed FOMC monetary policy meeting. British Pound and Euro rallied amidst optimistic Brexit news. EM currencies including rupee may witness a relief rally as a decline in dollar amid improving risk sentiment will support currencies

- Equity benchmarks extended their decline for a third successive session on Wednesday as concerns over current account deficit weighed on sentiments. The Nifty settled at 11234, down 44 points or 0.4%
- Broader markets underperformed as the Nifty midcap and small cap indices corrected 0.8% and 1%, respectively

Benchmark yield

	Close	Pvs. Close	% Change
India 10-yr	8.07	8.14	-0.82
US 10-yr	3.06	3.06	0.00
Eur 10-yr	0.47	0.49	-3.29
UK 10-yr	1.59	1.61	-1.43
JPY 10-yr	0.12	0.12	-0.81

Commodities

	Close	Pvs. Close	% Change
Gold	1207	1204	0.26
Copper	272.1	271.0	0.41
Brent	78.7	79.4	-0.88

FII Activity

Segment	Purchase	Sell	Net ₹ crores
Equity	4698	5802	-1104
Debt	373	551	-178

- Government bonds recovered as yields declined following recovery in rupee. Crude oil continues to face hurdle near \$80/bl. Any reversal in oil prices shall be further positive for rupee
- US treasury yields were unchanged but continue to sustain above 3% ahead of US Fed September monetary policy meeting. Fed is expected to raise interest rates by 25 bps in this meeting while its stance on inflation and economic assessment will provide further cues for a trend in US\$

- Gold ended the session higher amid a decline in the US\$ as well as steady treasury yields. It continues to be anchored near \$1200/oz amid a lack of safe haven demand
- Oil witnessed profit booking as US president Donald Trump once again raised concerns on Opec efforts to raise prices. His warning may see further declines in oil prices

- Foreign institutional investors (FII) were net sellers to the tune of ₹ 1282 crore on September 18, 2018
- FIIs have been net sellers to the more than ₹ 7886 crore in September 2018

Currency futures on NSE

Contracts	LTP	chng (%)	OI	Vol	chng (%)	
					OI	Vol
September	72.46	-0.64	2752272	3532579	-3.93	13.08
October	72.77	-0.63	905508	682160	6.32	-4.59
Sep-Oct	-0.31	-	-	2850419	-	80.69
Oct-Nov	-0.28	-	-	660067	-	96.76

- The dollar-rupee September contract on the NSE was at 72.46 in the previous session. September contract open interest declined 3.93% in the previous session
- We expect the US\$INR to meet resistance at higher levels. Utilise upsides in pair to initiate short positions

Pivot levels

Futures	Pivot	S1	S2	R1	R2
US\$INR (Sep)	72.61	72.24	72.01	72.84	73.22
US\$INR (Oct)	72.91	72.58	72.38	73.10	73.44
EURINR (Sep)	84.89	84.45	84.17	85.17	85.61
EURINR (Oct)	85.45	85.01	84.73	85.72	86.16
GBPINR (Sep)	95.48	94.77	94.27	95.98	96.70
GBPINR (Oct)	95.98	95.31	94.85	96.44	97.12
JPYINR (Sep)	64.65	64.37	64.21	64.81	65.09
JPYINR (Oct)	65.06	64.76	64.58	65.24	65.54

US\$INR Strategy

US\$INR September futures contract (NSE)

Sell US\$INR in the range of 72.10 - 72.18

Market Lot: US\$1000

Target: 71.85 / 71.75

Stop Loss: 72.29

Support

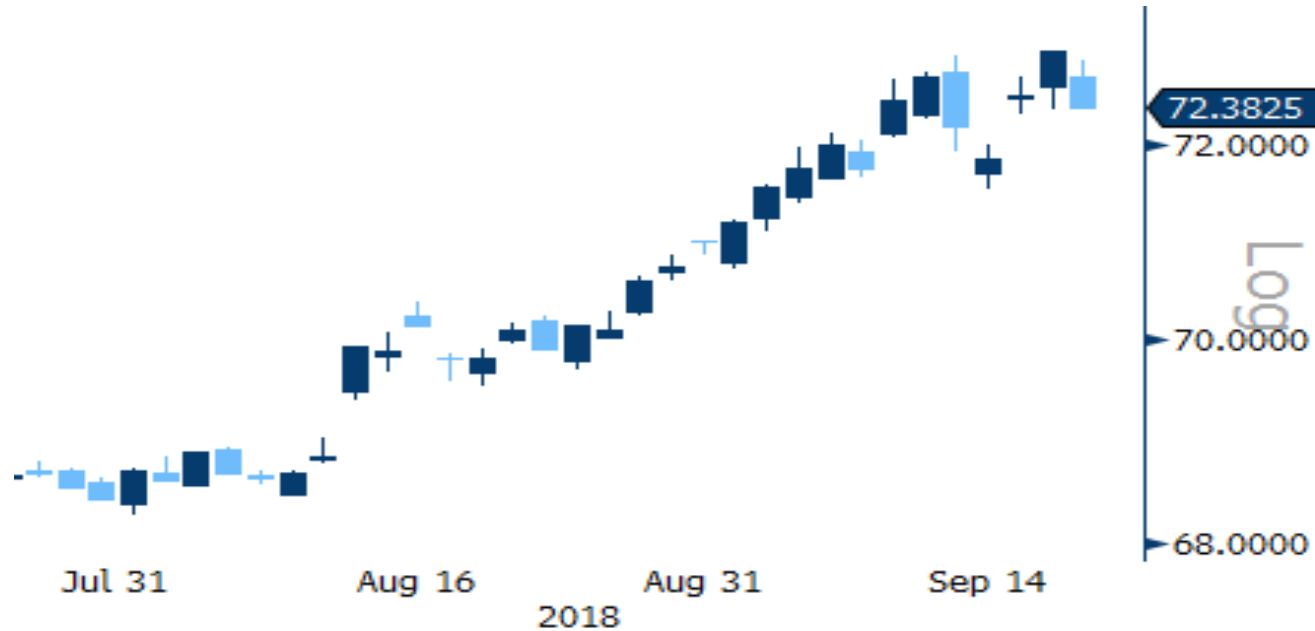
Resistance

S1/ S2: 71.95 / 71.80

R1/R2: 72.15 / 72.25

*Recommendation initiation message shall be broadcasted on iclick2gain at relevant prices

US\$INR Spot



INR Currency (Indian Rupee Spot) US\$INR Spot Daily 28MAY2016-21SEP2018
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Strategy Update

Date	Currency pair	Strategy	Rec.	Target	SL	(P/L)*	Comment
19-Sep-18	US\$INR	Buy future	72.66	72.88	72.53	-130	Exit in loss

Open Recommendations

Date	Currency	Product	Strategy	Recommendation price	Target	Stoploss	Time frame
7/9/2018	US\$INR	Positional Currency	US\$INR Bear Put strategy	0.38	0.95	-	Sep Expiry

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