

September 27, 2021

Daily Currency outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Sep futures	Sell	73.85	73.55	74.00	1 day

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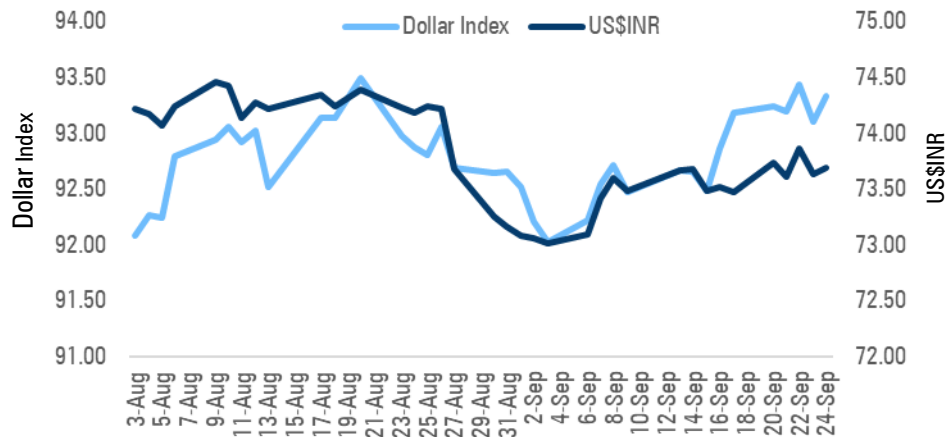
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Sep)	73.78	0.04%	1230309	-71852	1714197	-413897
EURINR (Sep)	86.55	0.12%	85290	-12699	111941	-38630
GBPINR (Sep)	101.00	0.02%	131140	-6876	179501	-93954

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Sep)	73.54	73.66	73.75	73.87	73.96
US\$INR (Oct)	73.71	73.85	73.97	74.11	74.23
EURINR (Sep)	86.28	86.41	86.57	86.70	86.86
EURINR (Oct)	86.62	86.72	86.85	86.95	87.08
GBPINR (Sep)	100.70	100.85	101.10	101.25	101.50
GBPINR (Oct)	101.03	101.17	101.41	101.54	101.78

Dollar Index vs US\$INR



- US dollar increase by 0.32% on Friday amid uncertainty over struggling Chinese property developer Evergrande. Further, improved economic data from US and hawkish statements from Fed officials supported dollar. Fed officials signaled end to monthly bond purchases and possible rate hike next year
- Rupee future maturing on September 28 depreciated by 0.04% on Friday's trading session on surge in crude oil prices and uptick in dollar index
- Rupee is expected to appreciate on weakness in dollar and rise in risk appetite in the domestic markets. Further, persistent FII inflows will be supportive for rupee. However, sharp gains may be prevented on surge in crude oil prices. Furthermore, investors will remain vigilant ahead of policymakers speeches of major central bank's across the globe to get hint on future monetary stance

US\$INR Strategy

USDINR September futures contract (NSE)

Sell USDINR in the range of 73.85-73.87

Target: 73.55

Stop Loss: 74.0

Support: 73.60/73.55

Resistance: 73.95/74.00

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Sep futures	Sell	73.85	73.55	74.00	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	93.33	93.03	0.32%
US\$INR	73.69	73.63	0.08%
EURUSD	1.1721	1.1739	-0.15%
EURINR	86.46	86.32	0.16%
GBPUSD	1.3676	1.3719	-0.31%
GBPINR	100.98	100.70	0.28%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.181	6.140	0.041
US	1.454	1.435	0.019
UK	0.836	0.817	0.019
Japan	0.055	0.036	0.019
Germany	-0.225	-0.255	0.03

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	15896.38	15280.70	615.68
Debt	2256.42	907.58	1348.84
Net			1964.52

- German Ifo Business Climate index fell to 98.8 in September 2021 from 99.6 in preceding month
- US New home sales improved by 1.5% to 740K units in August 2021 from 729K in July 2021
- Euro depreciated by 0.15% on Friday majorly on the back of strong dollar and risk aversion in the global markets. Further, euro slip on disappointing economic data from Euro Area. German business moral fell for the 3rd consecutive month
- Euro is expected to trade with positive bias on weakness in dollar and rise in risk appetite in the global markets. However, sharp gains may be capped as disappointing economic data from euro area may continue to hurt single currency. Furthermore, investors will remain cautious ahead of ECB president Lagarde speech to get cues on future monetary stance and outcome of German federal elections. EURINR(Sep) expected to trade in a range between 86.30-86.70
- Pound depreciated by 0.31% on Friday on strong dollar and ongoing default worries surrounding Chinese developer Evergrande impacted market sentiments. However, sharp fall was cushioned on expectation of early rate hike and end to its bond buying scheme
- Pound is expected to trade with positive bias on weakness in dollar. Further, investors expect Bank of England to raise interest rates early next year after 2 of its officials called for an end to central bank QE program. However, sharp upside may be capped as market participants will remain cautious ahead of BOE governor Bailey speech. GBPINR (Sep) expected to trade in a range between 100.70-101.30

Data	Country	Time	Actual	Expected	Previous	Impact
ECB President Lagarde Speaks	Europe	5:15pm	-	-	-	Medium
Core Durable Goods Orders m/m	US	6:00pm	-	0.50%	0.80%	Medium
Durable Goods Orders m/m	US	6:00pm	-	0.7%	-0.1%	Medium
BOE Gov Bailey Speaks	UK	11:30pm	-	-	-	High



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ANALYST CERTIFICATION

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