

November 18, 2021

## Daily Currency Outlook

### Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	Nov futures	Buy	100.25	100.55	100.10	1 day

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# Rupee Outlook and Strategy

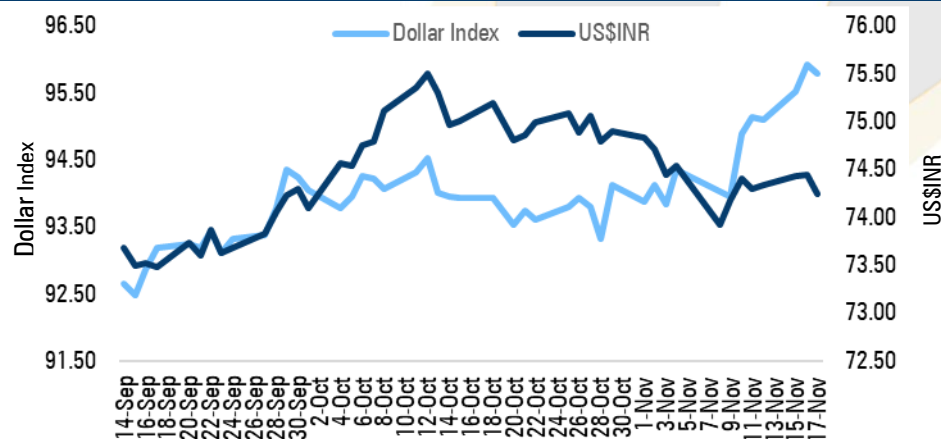
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Nov)	74.32	-0.17%	1934763	-43443	2117363	-84664
EURINR (Nov)	84.16	-0.61%	126385	8309	160281	-27245
GBPINR (Nov)	99.91	-0.19%	210956	-11661	237375	30332

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	74.11	74.22	74.41	74.51	74.70
US\$INR (Dec)	74.35	74.45	74.64	74.74	74.92
EURINR (Nov)	83.80	83.98	84.27	84.45	84.74
EURINR (Dec)	84.21	84.35	84.57	84.72	84.94
GBPINR (Nov)	99.56	99.74	100.02	100.19	100.48
GBPINR (Dec)	99.93	100.09	100.36	100.53	100.80

## Dollar Index vs US\$INR



- The US dollar retreated from its 16-month high and declined 0.14% yesterday amid a fall in US treasury yields and disappointing economic data from the US. Housing starts fell 0.7% in October 2021 compared to the preceding month
- Rupee future maturing on November 26 appreciated by 0.17% yesterday on softening of crude oil prices and as some foreign banks sold dollar for corporates
- The rupee is expected to appreciate today as the dollar climbed down from its 16-month high and softening of crude oil prices. Decline in crude oil prices may ease worries over imported inflationary pressures. However, sharp gains may be prevented on risk aversion in Asian markets and FII outflows from local shares. Additionally, investors will remain vigilant ahead of economic data from the US and Fed policymakers statements to get hints on future monetary stance. US\$INR (November) is expected to trade in a range of 74.15-74.50

## GBPINR Strategy

### GBPINR November futures contract (NSE)

Buy GBPINR in the range of 100.23-100.25

Target: 100.55

Stop Loss: 100.10

Support: 100.10/100.00

Resistance: 100.45/100.55

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Nov futures	Buy	74.45	74.75	74.30	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
DXV	95.79	95.92	-0.14%
US\$INR	74.25	74.45	-0.27%
EURUSD	1.1318	1.1319	-0.01%
EURINR	84.04	84.27	-0.27%
GBPUSD	1.3489	1.3425	0.48%
GBPINR	100.15	99.95	0.20%

## Global Bonds

Country	Close	Pvs. Close	Change
India	6.361	6.364	-0.003
US	1.592	1.640	-0.048
UK	0.968	0.990	-0.022
Japan	0.074	0.076	-0.002
Germany	-0.243	-0.241	-0.002

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	24497.91	10257.94	14239.97
Debt	35	289.44	-254.44
Net			13985.53

- The euro ended flat yesterday but recovered most of its losses amid weakness in the dollar. Further, Euro Area CPI data showed inflation remained elevated in October 2021 and above ECB's 2% target. Euro area inflation increased 4.1% in October 2021. However, sharp gains were capped on growth concerns and worries over rising Covid-19 cases in Europe
- The euro is expected to trade with a positive bias mainly on the back of weakness in the dollar. However, sharp upside may be capped on risk aversion in global markets and as investors are worried that elevated inflation may push the ECB to abandon its ultra easy money policy but this step would hamper post-pandemic recovery. Even ECB President Lagarde warned that tightening monetary policy could cause more harm than it would do any good. EURINR (November) is expected to trade in a range of 84.00-84.50
- The pound appreciated by 0.48% yesterday amid weakness in dollar and as CPI data showed inflation in the UK hit a 10-year high. UK CPI increased 4.2% in October 2021 from 3.1% in September 2021. Higher inflation and improved job data boosted expectations of a rate hike in December. Jobs data had showed that employers hired more people in October after a furlough scheme ended
- The pound is expected to trade with a positive bias on weakness in the dollar, improved economic data from Britain and on expectations that Bank of England may raise interest rates next month to address stubbornly high inflation. However, sharp upside may be capped on worries that disagreement between the UK and the EU over Northern Ireland may trigger major trade disruption

Data	Country	Time	Actual	Expected	Previous	Impact
Philly Fed Manufacturing Index	US	7:00PM	-	24.2	23.8	Medium
Unemployment Claims	US	7:00PM	-	260K	267K	Medium
FOMC Member Williams Speaks	US	8:00PM	-	-	-	Medium



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## ANALYST CERTIFICATION

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