

November 23, 2021

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Nov futures	Buy	74.45	74.75	74.30	1 day

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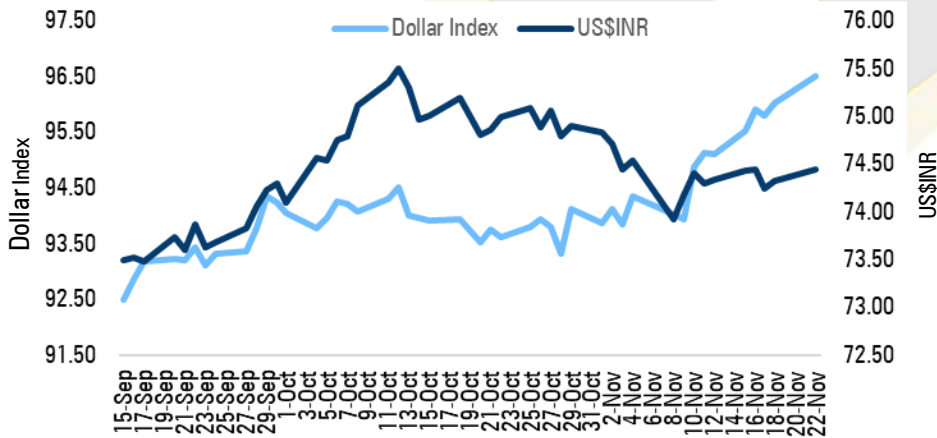
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Nov)	74.43	0.13%	1738531	-147553	1912722	-823238
EURINR (Nov)	84.07	-0.36%	116858	-1054	121557	-13002
GBPINR (Nov)	100.07	-0.29%	186982	-12	193895	-23675

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	74.22	74.33	74.45	74.56	74.68
US\$INR (Dec)	74.45	74.57	74.69	74.80	74.93
EURINR (Nov)	83.72	83.89	84.02	84.19	84.32
EURINR (Dec)	84.03	84.22	84.35	84.54	84.67
GBPINR (Nov)	99.67	99.87	100.12	100.32	100.57
GBPINR (Dec)	100.13	100.27	100.42	100.56	100.71

Dollar Index vs US\$INR



- The US dollar rose 0.52% yesterday amid a decline in US stock markets and surge in US treasury yields. Further, dollar rallied on reports that Federal Reserve Chairman Jerome Powell was nominated for a second term by President Joe Biden
- Rupee future maturing on November 26 depreciated by 0.13% yesterday on strong dollar, risk aversion in domestic markets and FII outflows
- The rupee is expected to depreciate on risk aversion in domestic markets and strong dollar. The dollar is gaining strength on bets that the central bank will raise rates sooner to tackle higher inflation following news that US Federal Reserve Chair Powell was nominated for a second term by President Joe Biden. Further, investors will remain vigilant ahead of Manufacturing and Services PMI data from major countries across the globe to gauge the health of the economy. However, a sharp fall may be prevented on softening of crude oil prices

US\$INR Strategy

US\$INR November futures contract (NSE)

Buy USDINR in the range of 74.43-74.45

Target: 74.75

Stop Loss: 74.30

Support: 74.30/74.25

Resistance: 74.65/74.75

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Nov futures	Buy	74.30	74.60	74.15	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	96.52	96.02	0.52%
US\$INR	74.43	74.33	0.13%
EURUSD	1.1242	1.1288	-0.41%
EURINR	83.67	83.90	-0.27%
GBPUSD	1.3398	1.3452	-0.40%
GBPINR	99.71	99.99	-0.28%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.351	6.345	0.006
US	1.627	1.549	0.078
UK	0.934	0.882	0.052
Japan	0.074	0.079	-0.005
Germany	-0.299	-0.340	0.041

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	13285.63	10940.78	2344.85
Debt	1483.4	364.49	1118.91
Net			3463.76

- The Euro declined by 0.41% yesterday on the back of a strong dollar, growth concerns and worries over rising Covid-19 cases in Europe. Further, the Euro slipped as concerns grew on new Covid-19 restrictions in Europe as Austria entered full lockdown and with Germany considering strict restrictions
- The Euro is expected to trade with a negative bias amid strong dollar, divergence in monetary policy and expectation of disappointing economic data from Euro area. Euro Area Manufacturing and Services PMI data are likely to show that activity in both sectors slowed down. Further, the Euro may slip on worries that resurgent of Covid-19 cases in Europe will have adverse impact on economic recovery as it pushed several countries in Europe to implement restrictions to curb the spread. Additionally, ECB policymakers' dovish statement pushed back expectation of monetary tightening to tame inflation. EURINR (November) is expected to trade in a range of 83.50-84.00
- The pound depreciated by 0.40% yesterday amid strong dollar and ongoing worries over post Brexit trade deal. However, sharp downside was cushioned as higher inflation and improved job data boosted expectations of rate hike in December
- The pound is expected to trade with a negative bias on a strong dollar and risk aversion in the global markets. Further, the pound may slip on expectations of disappointing economic data. Manufacturing and Services PMI data are likely to show that activity in both sectors slowed down. Additionally, fear over trade disruption with European Union will weigh on currency. However, sharp downside may be cushioned on expectation that Bank of England may raise interest rates next month to address stubbornly high inflation. GBPINR (November) is expected to trade in a range of 99.60-100.10

Data	Country	Time	Actual	Expected	Previous	Impact
French Flash Manufacturing PMI	Europe	1:45PM	-	53.1	53.6	Medium
German Flash Manufacturing PMI	Europe	2:00PM	-	57	57.8	High
German Flash Services PMI	Europe	2:00PM	-	51.4	52.4	High
Flash Manufacturing PMI	Europe	2:30PM	-	57.5	58.3	Medium
Flash Services PMI	Europe	2:30PM	-	53.6	54.6	Medium
Flash Manufacturing PMI	UK	3:00PM	-	57.2	57.8	High
Flash Services PMI	UK	3:00PM	-	58.6	59.1	High
Flash Manufacturing PMI	US	8:15PM	-	59.3	58.4	Medium
Flash Services PMI	US	8:15PM	-	59.1	58.7	Medium



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ANALYST CERTIFICATION

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