

November 25, 2021

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Nov futures	Buy	74.50	74.80	74.35	1 day

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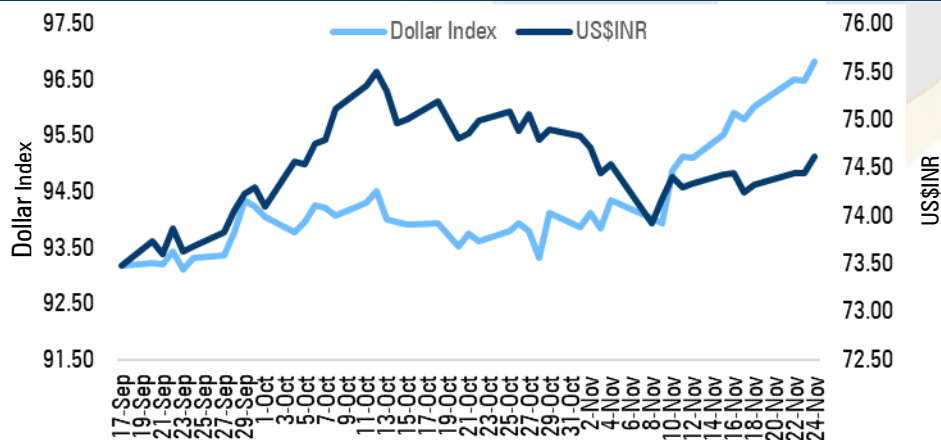
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Nov)	74.44	-0.06%	1466257	-172382	1729238	-216627
EURINR (Nov)	83.50	-0.43%	97160	-12444	144290	-7363
GBPINR (Nov)	99.47	-0.12%	162343	-36083	176118	-10848

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	74.20	74.32	74.46	74.58	74.72
US\$INR (Dec)	74.46	74.57	74.70	74.81	74.94
EURINR (Nov)	83.16	83.33	83.60	83.77	84.04
EURINR (Dec)	83.57	83.73	83.98	84.13	84.39
GBPINR (Nov)	99.17	99.32	99.54	99.69	99.92
GBPINR (Dec)	99.61	99.75	99.95	100.09	100.29

Dollar Index vs US\$INR



- The US dollar rose 0.38% yesterday amid improved economic data from the US. Weekly jobless claims fell sharply to the lowest level in 52 years. Further, FOMC meeting minutes showed that some officials are prepared to accelerate the pace of ending bond buying programme and raise rates sooner than anticipated if inflation does not moderate. Additionally, core PCE price index showed inflation remained elevated in October
- Rupee future maturing on November 26 appreciated by 0.06% yesterday as some foreign banks sold dollar. However, sharp gains were prevented on persistent FII outflows and firm dollar
- The rupee is expected to depreciate on a strong dollar, FII outflows and rise in crude oil prices. Further, the rupee may slip on risk aversion in the domestic markets. Investors fear that rise in interest rates in major countries across globe to tackle elevated inflation may lead to outflows of overseas investments

US\$INR Strategy

US\$INR November futures contract (NSE)

Buy USDINR in the range of 74.48-74.50

Target: 74.80

Stop Loss: 74.35

Support: 74.35/74.25

Resistance: 74.70/74.80

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Nov futures	Buy	74.40	74.70	74.25	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	96.84	96.49	0.36%
US\$INR	74.62	74.44	0.24%
EURUSD	1.1202	1.1245	-0.38%
EURINR	83.60	83.71	-0.13%
GBPUSD	1.3329	1.3376	-0.35%
GBPINR	99.47	99.57	-0.10%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.367	6.364	0.003
US	1.643	1.676	-0.033
UK	1.002	1.000	0.002
Japan	0.086	0.074	0.012
Germany	-0.225	-0.219	-0.006

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9060.88	13720.53	-4659.65
Debt	175.92	-1077.22	1253.14
Net			-3406.51

- The Euro depreciated by 0.38% yesterday amid strong dollar and disappointing economic data from largest economy in Europe. German business sentiment worsened for a fifth consecutive month as supply challenges in manufacturing and surge in Coronavirus cases clouded the growth outlook
- The Euro is expected to trade with a negative bias amid strong dollar and divergence in monetary policy. US Federal Reserve may act sooner to tackle rising price pressure whereas ECB is expected to remain dovish as growth in the region lags. Further, projection of disappointing economic data from euro area largest economy will hurt single currency. Furthermore, the euro may slip on worries that resurgent Covid-19 cases in Europe will have an adverse impact on economic recovery as it pushed several countries in Europe to implement restrictions to curb the spread. EURINR (November) is expected to trade in a range of 83.30-83.90
- The pound depreciated by 0.35% yesterday mainly on the back of a strong dollar and on ongoing worries over post Brexit trade deal. Further, the pound slipped on concerns over rising Covid-19 cases in the country. However, sharp downside was cushioned as better than expected economic data continued to support sterling
- The pound is expected to trade with a negative bias on a strong dollar, worries over rising Covid-19 cases in the country and on fear over trade disruption with European Union. Further, investors will remain cautious on whether Bank of England will raise interest rates at its December meeting, as BoE Governor Andrew Bailey over the weekend had said inflation could be elevated for longer but there was also a chance that inflation did not prove as persistent as feared. Additionally, market participants will remain vigilant ahead of BoE Governor's statements for cues on future monetary stance. GBPINR (November) is expected to trade in a range of 99.30-99.90

Data	Country	Time	Actual	Expected	Previous	Impact
German GfK Consumer Climate	Europe	12:30PM	-	-1	0.9	Medium
ECB President Lagarde Speaks	Europe	7:00PM	-	-	-	Medium
BOE Gov Bailey Speaks	UK	10:30PM	-	-	-	High



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ANALYST CERTIFICATION

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