

November 26, 2021

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Dec futures	Buy	74.75	75.05	74.60	1 day

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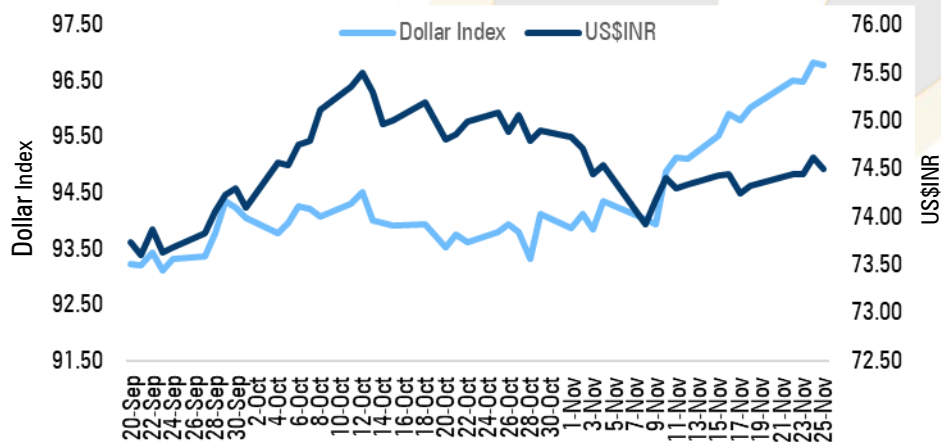
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Nov)	74.51	0.10%	1229656	-236601	1471170	-258068
EURINR (Nov)	83.65	0.17%	67370	-29790	106569	-37721
GBPINR (Nov)	99.26	-0.21%	132126	-30217	120531	-55587

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	74.37	74.44	74.52	74.58	74.66
US\$INR (Dec)	74.61	74.68	74.76	74.83	74.91
EURINR (Nov)	83.47	83.56	83.65	83.73	83.82
EURINR (Dec)	83.87	83.94	84.02	84.09	84.17
GBPINR (Nov)	99.01	99.14	99.36	99.49	99.71
GBPINR (Dec)	99.39	99.52	99.76	99.89	100.12

Dollar Index vs US\$INR



- US dollar declined 0.09% yesterday but remained near its 16-month high on expectations the US Federal Reserve will hike rates sooner to tackle inflation. Further, a sharp fall was cushioned on hawkish FOMC meeting minutes and robust economic data from the US
- Rupee future maturing on November 26 depreciated by 0.10% yesterday on strong dollar and persistent FII outflows. However, a sharp fall was prevented on softening of crude oil prices and positive domestic markets
- The rupee is expected to depreciate on a strong dollar, risk aversion in the global markets and persistent FII outflows. Market sentiments were hurt on concerns over new virus variant identified in South Africa. This variant of virus may be able to evade immune responses and may make vaccines less effective. However, a sharp fall may be prevented on softening crude oil prices

US\$INR Strategy

US\$INR December futures contract (NSE)

Buy USDINR in the range of 74.73-74.75

Target: 75.05

Stop Loss: 74.60

Support: 74.60/74.50

Resistance: 74.95/75.05

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Nov futures	Buy	74.50	74.80	74.35	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	96.79	96.88	-0.09%
USSINR	74.50	74.62	-0.16%
EURUSD	1.1209	1.1202	0.06%
EURINR	83.51	83.60	-0.11%
GBPUSD	1.3312	1.3329	-0.13%
GBPINR	99.18	99.47	-0.29%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.367	6.367	0
US	1.640	1.640	0
UK	0.970	1.002	-0.032
Japan	0.085	0.086	-0.001
Germany	-0.249	-0.225	-0.024

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	6050.47	14104.47	-8054
Debt	255.48	1605.21	-1349.73
Net			-9403.73

- The Euro appreciated by 0.06% yesterday amid weak dollar. However, sharp upside was capped on disappointing economic data from the largest economy in Europe. German gfk Consumer climate index showed consumer confidence in Germany is falling due to recent surge in Covid-19 cases. German GDP data for Q3CY2021 was revised down from 1.8% to 1.7%
- The Euro is expected to trade with a negative bias amid strong dollar and risk aversion in the global markets. Further, disappointing economic data from Euro Area and divergence in monetary policy will hurt the single currency. US Federal Reserve is likely to hike rates sooner than expected to tackle rising inflation, whereas, ECB is expected to continue its easy money policy as growth in the region lags. Furthermore, the euro may slip on worries that resurgence of Covid-19 cases in Europe will have a negative impact on the economic recovery as it pushed some countries in Europe to implement restrictions to curb the spread. EURINR (December) is expected to trade in a range of 83.50-84.00
- The pound depreciated by 0.13% yesterday on growth concerns, ongoing worries over post Brexit trade deal and fear over rising Covid-19 cases in the country
- The pound is expected to trade with a negative bias on a strong dollar and risk off mood globally. Further, investors fear that rising Covid-19 cases in the country will hurt the economic recovery. Additionally, the pound may slip on fears over trade disruption with European Union. Furthermore, investors will remain cautious whether or not Bank of England will raise interest rates at its December meeting, as BoE Governor Andrew Bailey had said inflation could be elevated for longer but there was also a chance that inflation did not prove as persistent as feared. GBPINR (December) is expected to trade in a range of 99.10-99.70

Data	Country	Time	Actual	Expected	Previous	Impact
German Import Prices m/m	Europe	12:30PM	-	2.00%	1.30%	Medium
ECB President Lagarde Speaks	Europe	1:30PM	-	-	-	Medium



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ANALYST CERTIFICATION

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