

November 29, 2021

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Dec futures	Buy	75.15	75.45	75.00	1 day

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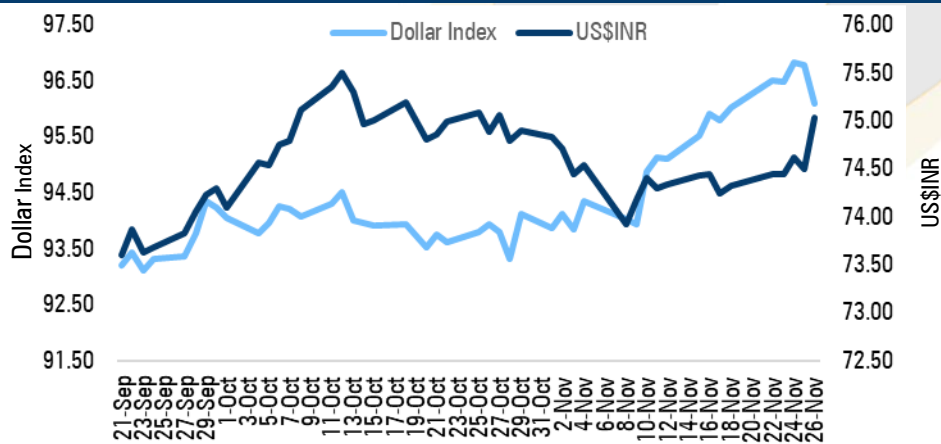
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Dec)	75.14	0.53%	1805258	280702	3175644	2015891
EURINR (Dec)	84.87	1.02%	106648	4780	312291	226356
GBPINR (Dec)	100.23	0.58%	155227	24318	320589	197568

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (29th Dec-21)	74.64	74.89	75.05	75.30	75.46
US\$INR (27th Jan-22)	74.83	75.10	75.27	75.54	75.71
EURINR (29th Dec-21)	83.71	84.29	84.61	85.20	85.52
EURINR (27th Jan-22)	84.13	84.68	84.98	85.53	85.83
GBPINR (29th Dec-21)	99.22	99.73	100.01	100.51	100.79
GBPINR (27th Jan-22)	99.77	100.19	100.43	100.85	101.08

Dollar Index vs US\$INR



- The US dollar declined by 0.74% on Friday amid a decline in US treasury yields. Yields fell as investors sought safe haven assets on worries over a new variant identified in South Africa
- Rupee future maturing on December 29 depreciated by 0.53% on Friday amid risk aversion in the global markets and persistent FII outflows. Market sentiments were hurt on concerns over a new virus variant identified in South Africa, which may be able to evade immune responses
- The rupee is expected to continue its depreciation on risk aversion in the global markets and persistent FII outflows. Further, investors fear that new series of restrictions to slow down the spread of new variant will hurt global economic recovery. WHO declared Omicron a “variant of concern”. However, a sharp fall may be prevented on decline in crude oil prices and weakness in dollar

US\$INR Strategy

US\$INR December futures contract (NSE)

Buy USDINR in the range of 75.13-75.15

Target: 75.45

Stop Loss: 75.00

Support: 75.00/74.90

Resistance: 75.35/75.45

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Dec futures	Buy	74.65	74.95	74.50	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	96.07	96.79	-0.74%
US\$INR	75.04	74.50	0.72%
EURUSD	1.1317	1.1209	0.96%
EURINR	84.92	83.51	1.69%
GBPUSD	1.3340	1.3312	0.21%
GBPINR	100.07	99.18	0.90%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.330	6.367	-0.037
US	1.482	1.640	-0.158
UK	0.828	1.002	-0.174
Japan	0.077	0.086	-0.009
Germany	-0.334	-0.225	-0.109

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	11993.31	12165.4	-172.09
Debt	492.34	767.56	-275.22
Net			-447.31

- The Euro appreciated 0.96% on Friday mainly on the back of weakness in dollar and improved economic data from Germany. However, sharp upside was capped on risk aversion in the global markets and concern over rising Covid-19 cases in Europe. Further, Italy have detected the Omicron variant of the Coronavirus
- The Euro is expected to trade with a positive bias amid weakness in dollar. However, sharp upside may be capped on risk aversion in the global markets, divergence in monetary policy and concern over onset of new variant when EU countries are already tightening rules to try to curb the spread of coronavirus. German CPI data is likely to show that inflation remain elevated in November but market still expects ECB to continue with its easy money policy as growth in the region lags. Furthermore, investors fear that new series of restrictions to slow down the spread of new variant will hurt global economic recovery. EURINR (December) is expected to trade in a range of 84.70-85.30
- The pound appreciated by 0.21% on Friday amid weakness in dollar. However, sharp upside was capped as concern over new Covid-19 variant hit market sentiments. Further, investors scale back their expectation of rate hike in December as new variant of Coronavirus shattered confidence of fast economic recovery. UK have detected Omicron variant and tightened restrictions for travellers
- The pound is expected to trade with negative bias on risk off mood globally. Further, British government added list of six countries including South Africa, Namibia, Zimbabwe on its red list, to which travel restrictions apply. Investors fear that rising Covid-19 cases in country and possibility of new restrictions to combat Omicron variant will hurt economic recovery. Additionally, pound may slip on fear 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. GBPINR (December) is expected to trade in a range of 99.80-100.40

Data	Country	Time	Actual	Expected	Previous	Impact
German Prelim CPI YoY	Europe	6:30PM	-	5.00%	4.50%	Medium
Pending Home Sales m/m	US	8:30PM	-	0.80%	-2.30%	Medium
ECB President Lagarde Speaks	Europe	10:45PM	-	-	-	Medium



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ANALYST CERTIFICATION

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