

November 30, 2021

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Dec futures	Buy	75.25	75.55	75.10	1 day

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# Rupee Outlook and Strategy

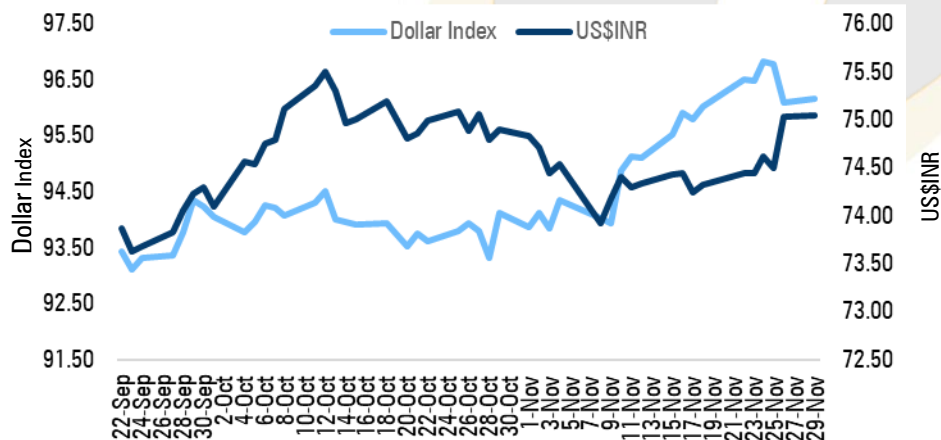
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Dec)	75.30	0.22%	1862867	57609	2376155	-799489
EURINR (Dec)	85.08	0.25%	101293	-5355	188744	-123547
GBPINR (Dec)	100.60	0.37%	138708	-16519	205891	-114698

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (29th Dec-21)	74.86	75.08	75.24	75.45	75.61
US\$INR (27th Jan-22)	75.11	75.32	75.47	75.69	75.84
EURINR (29th Dec-21)	84.51	84.80	84.97	85.25	85.42
EURINR (27th Jan-22)	84.86	85.15	85.31	85.60	85.76
GBPINR (29th Dec-21)	99.69	100.15	100.56	101.02	101.43
GBPINR (27th Jan-22)	100.29	100.63	100.84	101.18	101.40

## Dollar Index vs US\$INR



- The US dollar increased 0.12% yesterday amid a rise in US treasury yield and robust economic data. Yields rose as worries over a new variant faded, diminishing flight to safety bid. Further, US President Joe Biden said the country would not reinstate lockdowns this winter
- Rupee future maturing on December 29 depreciated by 0.22% yesterday amid month end dollar demand from importers, persistent FII outflows and concern over new virus variant identified in South Africa
- The rupee is expected to depreciate further on a strong dollar and persistent FII outflows. Further, investors will remain vigilant ahead of US Federal Reserve Chairman Powell's testimony before Senate banking committee. However, a sharp fall may be prevented on rise in risk appetite in global markets as investors shrugged off Omicron worries. Additionally, market participants will take cues from India's GDP data

## US\$INR Strategy

### US\$INR December futures contract (NSE)

Buy USDINR in the range of 75.23-75.25

Target: 75.55

Stop Loss: 75.10

Support: 75.10/75.00

Resistance: 75.45/75.55

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Dec futures	Buy	75.15	75.45	75.00	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	96.19	96.07	0.12%
US\$INR	75.06	75.04	0.03%
EURUSD	1.1293	1.1317	-0.21%
EURINR	84.76	84.92	-0.19%
GBPUSD	1.3314	1.3340	-0.19%
GBPINR	99.93	100.07	-0.14%

## Global Bonds

Country	Close	Pvs. Close	Change
India	6.335	6.330	0.005
US	1.509	1.482	0.027
UK	0.861	0.828	0.033
Japan	0.074	0.077	-0.003
Germany	-0.316	-0.334	0.018

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	8487.06	12189.56	-3702.5
Debt	551.61	1072.79	-521.18
Net			-4223.68

- The Euro depreciated by 0.21% yesterday mainly on the back of a strong dollar and dovish statements from ECB policymaker. ECB board member Isabel Schnabel said the bank believes that it would be premature to raise interest rates as price increase likely to slow gradually next year. However, sharp downside was cushioned as German CPI data showed inflation rose 5.2% year on year in November 2021, highest rate since June 1992
- The Euro is expected to trade with a negative bias amid strong dollar, dovish statement from ECB policymakers and divergence in monetary policy. Further, concern over onset of new variant when EU countries are already tightening rules to try to curb the spread of coronavirus will hurt single currency. Euro Area 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 and policymakers are in view that recent surge in inflation is transitory and would start easing next year. EURINR (December) is expected to trade in a range of 84.70-85.30
- The pound depreciated by 0.19% yesterday amid strong dollar, disappointing economic data from UK and concern over resurgence in Covid-19 cases. Further, investors scaled back their expectation of rate hike in December as new variant of coronavirus shattered confidence of fast economic recovery. After detecting Omicron variant cases Britain tightened restrictions for travellers
- The pound is expected to trade with a negative bias on strong dollar. Further, investors fear that rising Covid-19 cases in country and possibility of new restrictions to combat Omicron variant will hurt economic recovery and push back early rate hike expectations. Additionally, the pound may slip on fear over trade disruption with European Union. GBPINR (December) is expected to trade in a range of 99.90-100.45

Data	Country	Time	Actual	Expected	Previous	Impact
Prelim Industrial Production m/m	Japan	5:20am	1.10%	1.90%	-5.40%	Medium
CPI Flash Estimate y/y	Europe	3:30pm	-	4.50%	4.10%	Medium
Chicago PMI	US	8:15pm	-	67.1	68.4	Medium
Fed Chair Powell Testifies	US	8:30pm	-	-	-	High
Treasury Sec Yellen Speaks	US	8:30pm	-	-	-	High
CB Consumer Confidence	US	8:30pm	-	110.8	113.8	Medium



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## ANALYST CERTIFICATION

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