

December 2, 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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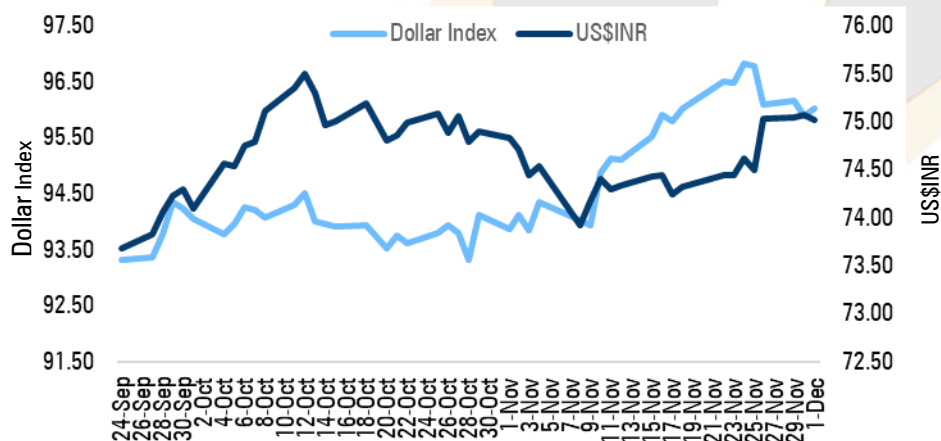
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Dec)	75.15	-0.30%	1909877	24828	2640759	-506719
EURINR (Dec)	85.21	-0.54%	80418	-3937	187365	-119530
GBPINR (Dec)	100.12	-0.51%	157452	25849	267110	-8740

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (29th Dec-21)	74.89	75.02	75.13	75.26	75.38
US\$INR (27th Jan-22)	75.13	75.26	75.38	75.51	75.63
EURINR (29th Dec-21)	84.85	85.03	85.23	85.41	85.61
EURINR (27th Jan-22)	85.20	85.38	85.57	85.75	85.94
GBPINR (29th Dec-21)	99.69	99.91	100.12	100.34	100.55
GBPINR (27th Jan-22)	100.13	100.32	100.49	100.69	100.86

Dollar Index vs US\$INR



- US dollar increase by 0.15% yesterday amid decline in US stock markets and better than expected economic data from US. ISM Manufacturing PMI data showed activity in sector picked up, and US private payrolls suggested solid job growth. Further, US Fed Chair Powell reiterated that it would be appropriate for central bank to consider accelerating the reduction of its bond buying program in December meeting
- Rupee future maturing on December 29 appreciated by 0.30% yesterday amid rise in risk appetite in domestic markets and upbeat economic data from country
- Rupee is expected to depreciate on risk aversion in the global markets, strong dollar and persistent FII outflows. Market sentiments are hurt as US confirmed its first case of new Omicron variant, triggering fresh wave of uncertainty. However, sharp fall may be prevented on robust economic data from country

US\$INR Strategy

US\$INR December futures contract (NSE)

Buy US\$INR 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
EURINR	Dec futures	Sell	85.20	84.90	85.35	Profit Booked

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	96.04	95.90	0.15%
US\$INR	75.02	75.08	-0.08%
EURUSD	1.1320	1.1330	-0.09%
EURINR	84.92	85.07	-0.17%
GBPUSD	1.3277	1.3296	-0.14%
GBPINR	99.60	99.82	-0.22%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.353	6.326	0.027
US	1.419	1.478	-0.059
UK	0.823	0.813	0.01
Japan	0.067	0.059	0.008
Germany	-0.341	-0.349	0.008

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	42135.09	47376.49	-5241.4
Debt	980.19	600.92	379.27
Net			-4862.13

- Euro depreciated by 0.09% yesterday majorly on the back of strong Dollar and disappointing economic data from Euro Area. German retail sales decline by 0.3% in October 2021 and Final Manufacturing PMI was revised lower compared to initial estimates. Although Euro Zone inflation is now more than twice the ECB 2% target it is unlikely to trigger monetary tightening as most of the policymakers are in view that its transitory
- Euro is expected to trade with negative bias amid strong dollar, risk aversion in the global markets and divergence in monetary policy. Further, series of disappointing economic data from euro area may spark the concern over economic health of the region. Additionally, 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. EURINR(Dec) expected to trade in a range of 85.00-85.50
- Pound depreciated by 0.14% yesterday on strong dollar and as doubt grew on whether Bank of England will raise interest rates in December meeting. However, sharp fall was cushioned on improved economic data from country
- Pound is expected to trade with negative bias on strong dollar and risk aversion in the global markets. 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. However, sharp fall may be cushioned on improved economic data from Britain and on news that France is preparing to write to Boris Johnson with proposals for new post-Brexit deal on migration with EU. GBPINR(Dec) expected to trade in a range of 99.90-100.40

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
PPI m/m	Europe	3:30pm	-	3.60%	2.70%	Medium
OPEC-JMMC Meetings	All	All Day	-	-	-	High
Unemployment Claims	US	7:00pm	-	238K	199K	Medium



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ANALYST CERTIFICATION

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