

December 6, 2021

Daily Currency outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Dec futures	Buy	75.35	75.65	75.20	1 day

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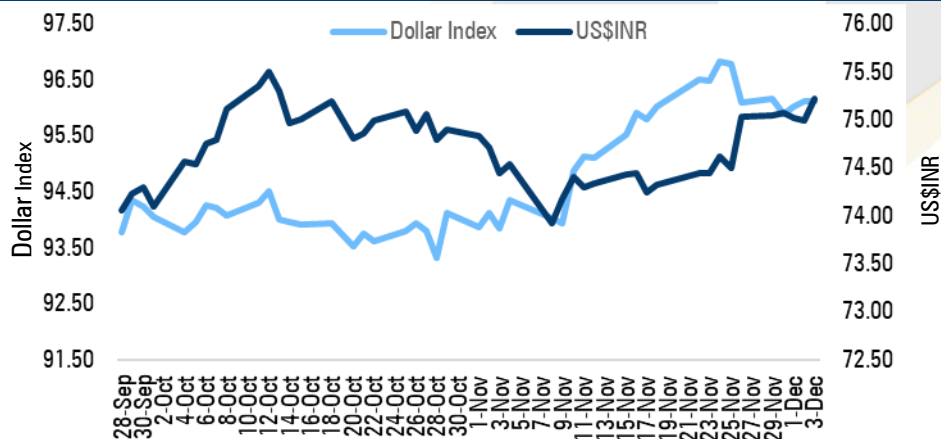
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Dec)	75.29	0.12%	1774299	48384	2137987	-231518
EURINR (Dec)	85.22	-0.08%	79635	-2765	158218	26169
GBPINR (Dec)	99.92	-0.29%	169744	14137	232800	7485

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (29th Dec-21)	75.02	75.15	75.26	75.39	75.50
US\$INR (27th Jan-22)	75.24	75.38	75.49	75.63	75.74
EURINR (29th Dec-21)	84.80	85.01	85.13	85.34	85.46
EURINR (27th Jan-22)	85.15	85.35	85.46	85.66	85.77
GBPINR (29th Dec-21)	99.68	99.80	99.97	100.09	100.26
GBPINR (27th Jan-22)	100.07	100.19	100.35	100.47	100.63

Dollar Index vs US\$INR



- US dollar decline by 0.04% on Friday amid fall in US treasury yields. Yields drop on concern that new variant may hurt economic recovery. Further, US Non-farm payrolls data showed employers added 210K jobs in November, that fell short of estimation of 553K jobs. However, expectation of early rate hike remained intact as unemployment rate fell to 21 month low
- Rupee future maturing on December 29 depreciated by 0.12% on Friday amid FII outflows and selloff in domestic markets. However, sharp fall was cushioned on better than expected economic data
- Rupee is expected to depreciate on pessimistic global market sentiments, strong dollar and persistent FII outflows. Further, emergence of Omicron variant sparked the concern of slowdown in economic recovery. Additionally, investors fear that high inflation could persist for more time pushing major central banks across globe to tighten monetary policies

US\$INR Strategy

US\$INR December futures contract (NSE)

Buy USDINR in the range of 75.33-75.35

Target: 75.65

Stop Loss: 75.20

Support: 75.20/75.10

Resistance: 75.55/75.65

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Dec futures	Sell	85.05	84.75	85.20	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	96.11	96.15	-0.04%
USSINR	75.22	74.99	0.31%
EURUSD	1.1313	1.1306	0.06%
EURINR	85.10	84.78	0.38%
GBPUSD	1.3231	1.3299	-0.51%
GBPINR	99.52	99.73	-0.21%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.369	6.352	0.017
US	1.356	1.431	-0.075
UK	0.751	0.814	-0.063
Japan	0.057	0.059	-0.002
Germany	-0.389	-0.367	-0.022

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9499.31	9800.84	-301.53
Debt	1663.15	993.86	669.29
Net			367.76

- Euro appreciated by 0.06% on Friday majorly on the back of weakness in Dollar. However, sharp upside was capped on disappointing economic data from euro area and concern over resurgence of COVID-19 cases. Final Service PMI data was revised lower from initial estimate
- Euro is expected to trade with negative bias amid strong dollar and risk aversion in the global markets. Further, expectation of disappointing economic data from Euro Area and divergence in monetary policy will hurt single currency. German factory orders are likely to decline by 0.2% in October 2021. 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 euro. EURINR(Dec) expected to trade in a range of 84.90-85.50
- Pound depreciated by 0.51% on Friday on disappointing economic data from country and as doubt grew on whether Bank of England will raise interest rates in December meeting. BOE policymaker Michael Saunders said he wanted more information about the impact of new Omicron variant before deciding how to vote this month
- Pound is expected to trade with negative bias on strong dollar and risk aversion in the global markets. Further, pound may slips as doubt grew on whether Bank of England will raise interest rates in December meeting. However, sharp fall may be cushioned on expectation of improved economic data from Britain. Further, market participants will remain cautious ahead of BOE policymaker statements to get the hint on future monetary stance. Any indication of possible rate hike in upcoming meeting will be supportive for pound. GBPINR(Dec) expected to trade in a range of 99.60-100.10

Data	Country	Time	Actual	Expected	Previous	Impact
German Factory Orders m/m	Europe	12:30pm	-	-0.20%	1.30%	Medium
Sentix Investor Confidence	Europe	3:00pm	-	14.5	18.3	Medium
Construction PMI	UK	3:00pm	-	54.9	54.6	Medium



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ANALYST CERTIFICATION

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