

December 27, 2021

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	Dec futures	Buy	100.50	100.80	100.35	1 day

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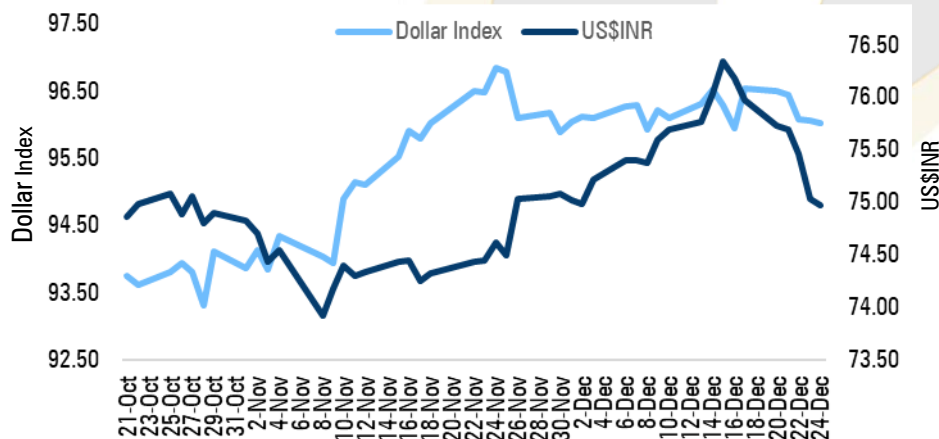
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Dec)	75.07	-0.28%	1705885	-5597	1782201	-262915
EURINR (Dec)	85.13	-0.16%	66034	9	53352	-98485
GBPINR (Dec)	100.67	-0.33%	98604	-17041	91528	-86051

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (29th Dec-21)	74.90	74.99	75.11	75.19	75.32
US\$INR (27th Jan-22)	75.14	75.23	75.37	75.46	75.59
EURINR (29th Dec-21)	84.96	85.05	85.17	85.25	85.37
EURINR (27th Jan-22)	85.31	85.39	85.51	85.59	85.71
GBPINR (29th Dec-21)	100.43	100.55	100.70	100.82	100.98
GBPINR (27th Jan-22)	100.79	100.89	101.04	101.15	101.29
JPYINR (29th Dec-21)	65.45	65.56	65.70	65.81	65.95
JPYINR (27th Jan-22)	65.77	65.86	65.98	66.06	66.18

## Dollar Index vs US\$INR



- The US dollar declined 0.04% on Friday amid signs that Omicron variant would not significantly derail a global economic recovery. Further, US equity and treasury markets remained closed for holidays. However, sharp downside was cushioned as core PCE price index reflected elevated inflation
- Rupee future maturing on December 29 appreciated by 0.28% as worries over effect of new variant on global economic recovery faded. However, further gains were prevented on FII outflows and surge in crude oil prices
- The rupee is expected to appreciate on weakness in dollar and rise in risk appetite in the global markets. Market sentiments improved on ebbing concerns over severity of Omicron variant, fuelling hopes that governments across the globe may not need to widen restrictions. However, sharp gains may be capped on a surge in crude oil prices and consistent FII outflows. US\$INR (December) is expected to trade in a range of 74.80-75.25

## GBPINR Strategy

### GBPINR December futures contract (NSE)

Buy GBPINR in the range of 100.50-100.52

Target: 100.80

Stop Loss: 100.35

Support: 100.35/100.25

Resistance: 100.70/100.80

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Dec futures	Sell	75.10	74.80	75.25	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	96.02	96.06	-0.04%
US\$INR	74.98	75.03	-0.07%
EURUSD	1.1317	1.1323	-0.05%
EURINR	84.85	84.96	-0.13%
GBPUSD	1.3385	1.3405	-0.15%
GBPINR	100.35	100.58	-0.23%

## Global Bonds

Country	Close	Pvs. Close	Change
India	6.462	6.460	0.002
US	1.493	1.493	0
UK	0.922	0.925	-0.003
Japan	0.064	0.067	-0.003
Germany	-0.247	-0.247	0

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	5626.95	5312.11	314.84
Debt	436.07	1689.96	-1253.89
Net			-939.05

- The Euro depreciated by 0.05% on Friday amid concerns that a resurgence of Covid-19 cases will have a negative impact on economic recovery. Further, stock markets in several countries in Europe remained closed. However, sharp downside was cushioned on a weak dollar
- The Euro is expected to trade with a positive bias amid rise in risk appetite in global markets and weakness in the dollar. Market sentiments improved as positive news on vaccines and Omicron related hospitalisations fuelled hopes that governments across the globe may not need to widen restrictions. However, sharp upside may be capped on divergence in monetary policy. EURINR (December) is expected to trade in a range of 84.80-85.30
- The pound depreciated by 0.15% on Friday amid thin traded volumes ahead of Christmas holidays. However, sharp downside was cushioned on weakness in the dollar and optimistic global market sentiments
- The pound is expected to trade with a positive bias on weakness in the dollar, rise in UK short term government bond yields and optimistic global markets sentiments. Market sentiments improved as studies have shown that Omicron variant is less severe than Delta strain, fuelling hopes that governments across the globe may not need to widen restrictions and it would not significantly derail a global economic recovery. However, sharp upsides may be capped amid thin traded volumes ahead of holiday

Data	Country	Time	Actual	Expected	Previous	Impact
Retail Sales y/y	Japan	5:20am	1.90%	1.80%	0.90%	Medium



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## ANALYST CERTIFICATION

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