

December 28, 2021

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Dec futures	Sell	84.95	84.65	85.10	1 day

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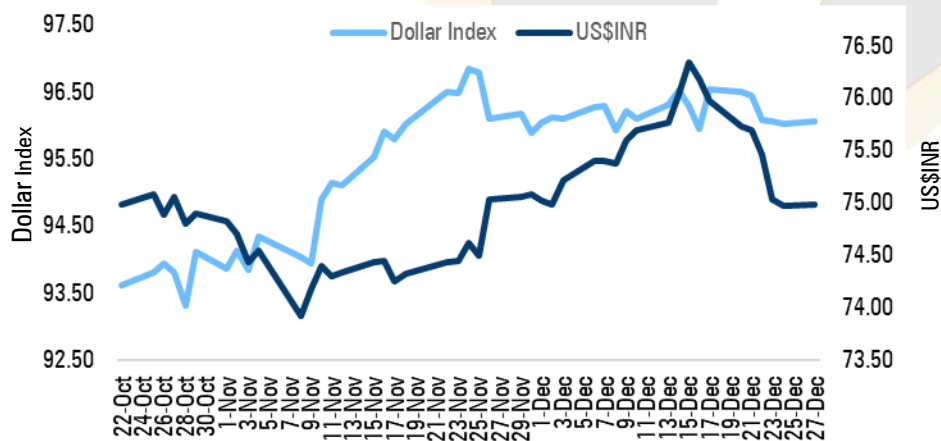
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Dec)	75.00	-0.09%	1617479	-88406	1892964	110763
EURINR (Dec)	84.90	-0.26%	60894	-5140	124963	71611
GBPINR (Dec)	100.51	-0.15%	93514	-5090	123302	31774

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (29th Dec-21)	74.83	74.92	75.05	75.14	75.28
US\$INR (27th Jan-22)	74.81	75.04	75.24	75.46	75.67
EURINR (29th Dec-21)	84.60	84.75	84.96	85.11	85.32
EURINR (27th Jan-22)	84.95	85.09	85.30	85.44	85.65
GBPINR (29th Dec-21)	100.22	100.37	100.60	100.74	100.97
GBPINR (27th Jan-22)	100.58	100.71	100.93	101.07	101.29
JPYINR (29th Dec-21)	65.22	65.33	65.53	65.64	65.85
JPYINR (27th Jan-22)	65.46	65.58	65.80	65.91	66.13

## Dollar Index vs US\$INR



- The US dollar rose 0.10% yesterday despite a rise in US stocks and decline in US treasury yields. Market sentiments improved on signs that Omicron variant would not significantly derail a global economic recovery as risk from it may not be as severe as initially feared
- Rupee future maturing on December 29 appreciated by 0.09% on rise in risk appetite in the global markets. However, further gains were prevented on FII outflows and surge in crude oil prices
- The rupee is expected to appreciate on soft dollar and optimistic global markets sentiments. Market sentiments improved on ebbing concerns over severity of Omicron variant and its impact on global economic recovery. However, sharp gains may be capped on surge in crude oil prices and consistent FII outflows. US\$INR (December) is expected to trade in a range of 74.80-75.20

## EURINR Strategy

### EURINR December futures contract (NSE)

Sell EURINR in the range of 84.93-84.95

Target: 84.65

Stop Loss: 85.10

Support: 84.75/84.65

Resistance: 85.10/85.20

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	Dec futures	Buy	100.50	100.80	100.35	Exit at cost

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	96.08	95.98	0.10%
US\$INR	74.98	74.98	0.00%
EURUSD	1.1329	1.1317	0.11%
EURINR	84.94	84.85	0.11%
GBPUSD	1.3441	1.3385	0.42%
GBPINR	100.79	100.35	0.43%

## Global Bonds

Country	Close	Pvs. Close	Change
India	6.465	6.462	0.003
US	1.479	1.493	-0.014
UK	0.922	0.922	0
Japan	0.064	0.064	0
Germany	-0.247	-0.247	0

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	2611.09	2843.93	-232.84
Debt	68.01	3764.11	-3696.1
Net			-3928.94

- The Euro appreciated by 0.11% yesterday amid a rise in risk appetite in the global markets. However, sharp upside was capped on worries that resurgence of Covid-19 cases in Europe will have a negative impact on economic recovery as it pushed some countries in Europe to implement restrictions to curb the spread
- The Euro is expected to trade with a negative bias amid divergence in monetary policy and on fears that tightening of rules to try to curb the spread of Coronavirus will have a negative impact on an already fragile economy. France announced tighter restrictions amid concerns over new variant. However, sharp downside may be cushioned on soft dollar and optimistic global market sentiments
- The pound appreciated by 0.42% yesterday as worries over effect of new variant on global economic recovery faded. However, sharp upside was capped on concerns over rising Covid-19 cases in the country and a firm dollar
- The pound is expected to trade with a positive bias amid soft dollar and rise in risk appetite in global markets. Market sentiments improved as studies have shown that Omicron variant is less severe than Delta strain, fuelling hopes that governments across globe may not need to widen restrictions and would not significantly derail global economic recovery. However, sharp upside may be capped amid thin traded volumes ahead of holiday. GBPINR (December) is expected to trade in a range of 100.50-101.05

Data	Country	Time	Actual	Expected	Previous	Impact
Prelim Industrial Production m/m	Japan	5:20am	7.20%	4.90%	1.80%	Medium
S&P/CS Composite-20 HPI y/y	US	7:30pm	-	18.60%	19.10%	Medium
Richmond Manufacturing Index	US	8:30pm	-	11	11	Medium



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## ANALYST CERTIFICATION

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