

December 29, 2021

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Jan futures	Sell	84.90	84.60	85.05	1 day

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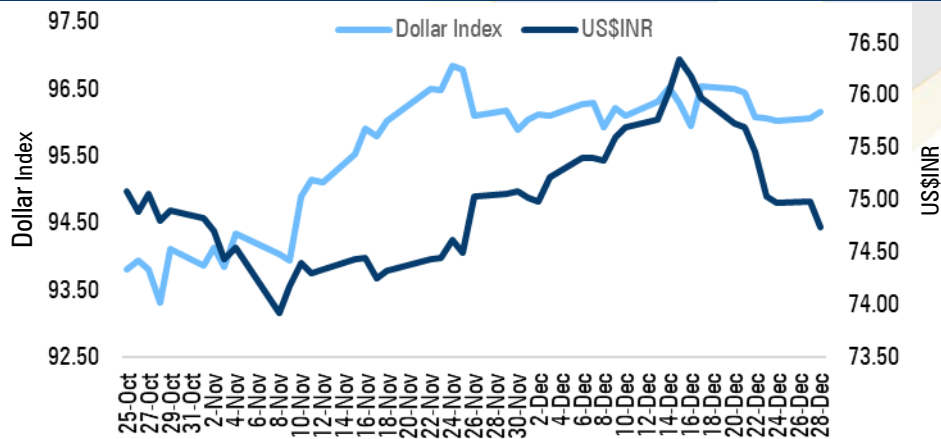
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (Dec)	74.74	-0.36%	1329228	-288251	2272136	379172
EURINR (Dec)	84.69	-0.25%	40027	-20867	117558	-7405
GBPINR (Dec)	100.52	0.01%	65082	-28432	149244	25942

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th Jan-22)	74.64	74.82	75.04	75.21	75.43
US\$INR (24th Feb-22)	74.89	75.06	75.26	75.43	75.64
EURINR (27th Jan-22)	84.70	84.89	85.08	85.26	85.45
EURINR (24th Feb-22)	85.03	85.20	85.38	85.56	85.74
GBPINR (27th Jan-22)	99.72	100.31	100.68	101.27	101.64
GBPINR (24th Feb-22)	100.81	101.01	101.18	101.38	101.55
JPYINR (27th Jan-22)	65.14	65.27	65.44	65.57	65.75
JPYINR (24th Feb-22)	65.28	65.46	65.73	65.90	66.18

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar advanced by 0.12% yesterday on a decline in US stocks and improved economic data from the US. US Richmond Manufacturing Index improved to 16 in December 2021 from 11 in November 2021. Further, US two year treasury yields hit almost two year high on expectation of early rate hike from Fed
- Rupee future maturing on December 29 appreciated by 0.36% on optimistic domestic market sentiments and FII inflows. However, further gains were prevented on a surge in crude oil prices
- The rupee is expected to depreciate on a firm dollar and mixed global market sentiments. Further, the rupee may slip on a surge in crude oil prices and consistent FII outflows. However, a sharp fall may be prevented on ebbing concerns over severity of Omicron variant and its impact on global economic recovery. US\$INR (January) is expected to trade in a range of 74.80-75.25

EURINR Strategy

EURINR January futures contract (NSE)

Sell EURINR in the range of 84.88-84.90

Target: 84.60

Stop Loss: 85.05

Support: 84.70/84.60

Resistance: 85.05/85.15

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Dec futures	Sell	84.95	84.65	85.10	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	96.20	96.08	0.12%
USSINR	74.74	74.98	-0.31%
EURUSD	1.1314	1.1329	-0.13%
EURINR	84.56	84.94	-0.44%
GBPUSD	1.3434	1.3437	-0.02%
GBPINR	100.40	100.79	-0.38%

Global Bonds

Country	Close	Pvs. Close	Change
India	6.478	6.465	0.013
US	1.476	1.479	-0.003
UK	0.922	0.922	0
Japan	0.064	0.064	0
Germany	-0.239	-0.244	0.005

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	1986.32	2704.9	-718.58
Debt	13.47	426.8	-413.33
Net			-1131.91

- The Euro depreciated by 0.13% yesterday amid a strong dollar. Further, the Euro slipped on worries that a surge in Covid-19 cases in Europe will have a negative impact on economic recovery as it forced some countries in Europe to implement restrictions to curb the spread
- The Euro is expected to trade with a negative bias on strong dollar and divergence in monetary policy between the Fed and ECB. Further, it may slip on fears that tightening of rules to try to curb the spread of Coronavirus will have a negative impact on an already fragile economy. However, sharp downside may be cushioned on expectation of improved economic data from the euro area
- The pound depreciated by 0.02% yesterday on a strong dollar and decline in domestic markets. Further, it slipped on concerns over rising Covid-19 cases in the country. However, sharp downside was cushioned as British government said England would not get any new Covid-19 related restrictions before end of 2021
- The pound is expected to trade with a negative bias amid strong dollar and mixed global market sentiments. However, downside may be cushioned as governments across globe are implementing mild restrictions regarding rapidly spreading Omicron variant like reducing quarantine times and forgoing some social distancing restrictions. Additionally, sharp moment may be prevented amid thin traded volumes and lack of macro economic data's. GBPINR (January) is expected to trade in a range of 100.50-101.10

Data	Country	Time	Actual	Expected	Previous	Impact
Pending Home Sales m/m	US	8:30pm	-	0.60%	7.50%	Medium
Crude Oil Inventories	US	9:00pm	-	(2.7M)	(4.7M)	Medium



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ANALYST CERTIFICATION

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