

January 10, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Jan futures	Buy	84.55	84.85	84.40	1 day

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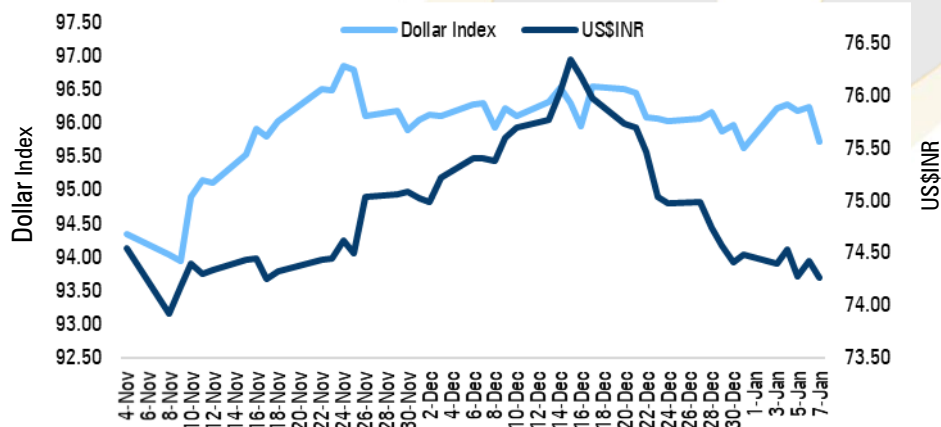
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Jan)	74.49	-0.18%	2279277	116069	2204101	-172909
EURINR (27th Jan)	84.27	-0.23%	125259	11725	158780	-97173
GBPINR (27th Jan)	100.89	-0.05%	99750	-1447	131921	-103530

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th Jan-22)	74.32	74.40	74.49	74.58	74.67
US\$INR (24th Feb-22)	74.55	74.63	74.72	74.80	74.88
EURINR (27th Jan-22)	84.12	84.20	84.28	84.36	84.44
EURINR (24th Feb-22)	84.44	84.51	84.59	84.66	84.73
GBPINR (27th Jan-22)	100.49	100.69	100.85	101.05	101.21
GBPINR (24th Feb-22)	100.98	101.09	101.22	101.33	101.46
JPYINR (27th Jan-22)	64.19	64.28	64.36	64.45	64.52
JPYINR (24th Feb-22)	63.93	64.28	64.87	65.21	65.80

## Dollar Index vs US\$INR



- The US dollar fell 0.61% on Friday as US non-farm payrolls data showed the US added 199,000 jobs in December below the estimate of 400,000. However, further downside was cushioned on a surge in US treasury yields and decline in US stocks. Yields remained elevated as recent job data was seen solid enough to keep Federal Reserve tightening path intact
- Rupee future maturing on January 27 appreciated by 0.18% on rise in risk appetite in domestic market and FII inflows. However, further gain was prevented on elevated crude oil prices
- The rupee is expected to depreciate on muted Asian market and elevated crude oil prices. Further, the market expects the US Federal Reserve to remain intact on its path of monetary tightening as recent economic data was seen supportive. US\$INR (January) is expected to trade in a range of 74.30-74.60

## EURINR Strategy

### EURINR January futures contract (NSE)

Buy EURINR in the range of 84.53-84.55

Target: 84.85

Stop Loss: 84.40

Support: 84.40/84.30

Resistance: 84.75/84.85

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Jan futures	Buy	74.55	74.85	74.40	Exit

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	95.73	96.32	-0.61%
USSINR	74.27	74.42	-0.20%
EURUSD	1.1359	1.1295	0.57%
EURINR	84.36	84.02	0.41%
GBPUSD	1.3585	1.3533	0.38%
GBPINR	100.90	100.67	0.23%

## Global Bonds

Country	Close	Pvs. Close	Change
India	6.542	6.525	0.017
US	1.765	1.723	0.042
UK	1.182	1.161	0.021
Japan	0.135	0.119	0.016
Germany	-0.040	-0.099	0.059

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	6607.37	8304.41	-1697.04
Debt	408.12	100.45	307.67
Net			-1389.37

- The Euro appreciated by 0.57% on Friday mainly on the back of weakness in the dollar. However, sharp upside was capped despite a surge in euro zone inflation as ECB policymakers are of the view that inflation will gradually slow down in 2022, signally no rate hike needed this year. Euro zone CPI data showed inflation rose to 5% in December 2021
- The Euro is expected to trade with a positive bias amid weakness in dollar and expectation of improved economic data from euro area. However, sharp upside may be capped on divergence in monetary policy and risk aversion in the global markets. Further, investors fear that tightening of rules to curb the spread of Coronavirus will have a negative impact on an already fragile economy
- The pound appreciated 0.38% on Friday amid weakness in dollar and on growing expectations that Bank of England will raise interest rates next month to address persistently high inflation. However, sharp upside was capped on disappointing economic data from Britain. UK Construction PMI data showed activity in sector slowed down in December as new variant of Coronavirus spreads
- The pound is expected to trade with a positive bias on a weak dollar and on expectation that Bank of England will raise rates as early as next month despite of surge in coronavirus cases. However, sharp upside may be capped on risk aversion in the global markets and disappointing economic data. GBPINR (January) expected to trade in a range of 100.70-101.30

Data	Country	Time	Actual	Expected	Previous	Impact
Sentix Investor Confidence	Europe	3:00pm	-	12.6	13.5	Medium
Unemployment Rate	Europe	3:30pm	-	7.20%	7.30%	Medium



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## ANALYST CERTIFICATION

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