

January 27, 2022

## Daily Currency Outlook

### Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Feb futures	Buy	75.03	75.35	74.88	1 day

### Research Analysts

**Raj Deepak Singh**  
rajdeepak.singh@icicisecurities.com

**Saif Mukadam**  
saif.mukadam@icicisecurities.com

**Mohit Agarwal**  
mohit.agarwal@icicisecurities.com

# Rupee Outlook and Strategy

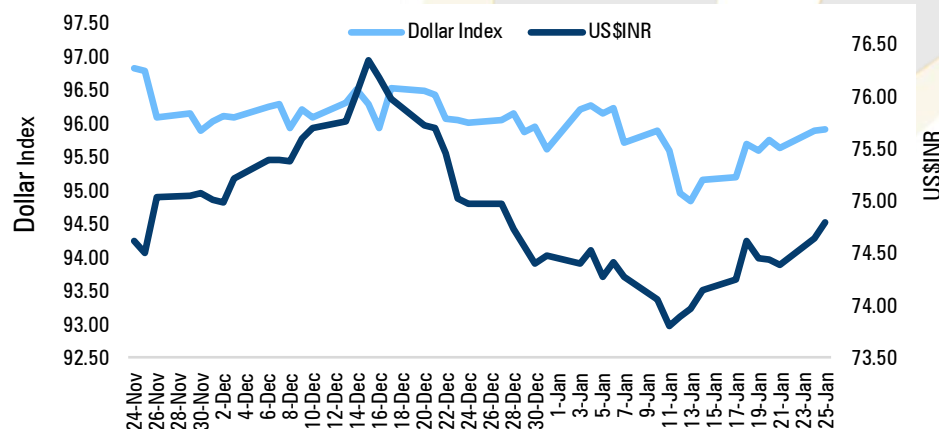
## Domestic Currencies

Futures	LTP	Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR 27JAN2022	74.81	0.23%	1459141	-22.69%	2316119	-2.01%
EURINR 27JAN2022	84.43	-0.08%	73933	-9.02%	156122	3.45%
GBPINR 27JAN2022	100.79	0.02%	57637	-23.58%	134188	-10.39%

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR 27OCT2021	74.50	74.65	74.74	74.90	74.99
USDINR 26NOV2021	74.69	74.86	74.98	75.15	75.27
EURINR 27OCT2021	84.25	84.34	84.49	84.58	84.73
EURINR 26NOV2021	84.14	84.43	84.96	85.25	85.78
GBPINR 27OCT2021	100.38	100.58	100.77	100.97	101.16
GBPINR 26NOV2021	100.54	100.81	101.13	101.39	101.71

## Dollar Index vs US\$INR



- The US dollar surged 0.56% on Wednesday amid hawkish statement from US Fed and on improved economic data from the US. The US Fed said it is likely to increase interest rates and plans to end its QE programme in March
- Rupee future maturing on January 27 depreciated by 0.23% on the back of stronger dollar index and higher FII outflows. However, further downsides were prevented as risk appetite in the domestic markets increased
- The rupee is expected to depreciate today due to higher crude oil prices and concerns over rising geopolitical tensions between the US and Russia. Further, expectations of better-than-expected GDP data from the US and hawkish statement from the US Federal Reserve Chair Powell may continue to put pressure on the rupee. US\$INR (February) is expected to rise towards 75.35

## US\$INR Strategy

### USDINR February futures contract (NSE)

Buy USDINR in the range of 75.0-75.03

Target: 75.35

Stop Loss: 74.88

Support: 74.88/74.68

Resistance: 75.35/75.50

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
US\$INR	Jan futures	Buy	74.64	74.94	74.49	Not Initiated

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

Currency Pair	LTP	P. Close	Change
USDINR	75.13	75.03	0.13%
EURUSD	1.12	1.12	-0.07%
EURINR	84.35	84.14	0.26%
GBPUSE	1.34	1.35	-0.13%
GBPINR	100.99	100.79	0.20%

## Global Bonds

United States 10-Year	1.85	1.85	0.007
United Kingdom 10-Year	1.20	1.20	0.001
Germany 10-Year	-0.07	-0.07	-0.004
Japan 10-Year	0.15	0.14	0.008
India 10-Year	6.66	6.66	0.010

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net ₹Crores
Equity	5623	9522	-3899
Debt	1114	80	1033
Net			-2866

- The Euro depreciated by 0.51% on Wednesday on the back of an uptick in the US dollar and decline in 10 year German bond yields. Further, rising tensions between Russia and Ukraine added more downside pressure to the Euro
- The Euro is expected to trade with a negative bias mainly due to stronger dollar. Further, divergence in the monetary policy and expectation of disappointing GfK German Consumer Climate data from the Germany will hurt the Euro. The GfK German Consumer Climate is forecasts to decline by -7.8 in February compared to -6.8 in the previous month. EURINR (February) is expected to trade in a range of 84.20-84.90
- The pound depreciated by 0.21% on Wednesday amid surge in dollar and political uncertainty in the UK. However, a sharp downside was prevented on increase in risk appetite in the UK markets and increased in 10-year UK treasury yields
- The pound is expected to trade with a negative bias amid firm dollar and concerns over political turmoil in the Boris Johnson government. However, prospects of higher interest rate by Bank of England to tame the elevated inflation may keep the upside limited. Moreover, weakness in the rupee against dollar and expectation of improved economic data from UK may support the GBPINR on the lower side
- The GBPINR (February) is facing strong resistance at 101.50 levels. As long as they sustain below this level, GBPINR is likely to correct further towards 100.50 levels for the day

# Economic Calendar

TIME (IST)	COUNTRY	DATA & EVENTS	FORECAST	PREVIOUS
12:30 PM	Europe	GfK German Consumer Climate (Feb)	-7.80	-6.80
4:30 PM	UK	CBI Distributive Trades Survey (Jan)	13.00	8.00
7:00 PM	US	GDP (QoQ) (Q4)	5.5%	2.3%
7:00 PM	US	Initial Jobless Claims	260K	286K



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Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto:pankaj.pandey@icicisecurities.com)

ICICI Direct Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
[research@icicidirect.com](mailto:research@icicidirect.com)

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## ANALYST CERTIFICATION

I/We, Raj Deepak Singh BE, MBA (Finance), Saif Mukadam BSc, MMS (Finance), Mohit Agarwal BSc, MBA (Finance), authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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