

January 28, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPSINR	Feb futures	Sell	100.75	100.50	100.90	1 day

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Rupee Outlook and Strategy

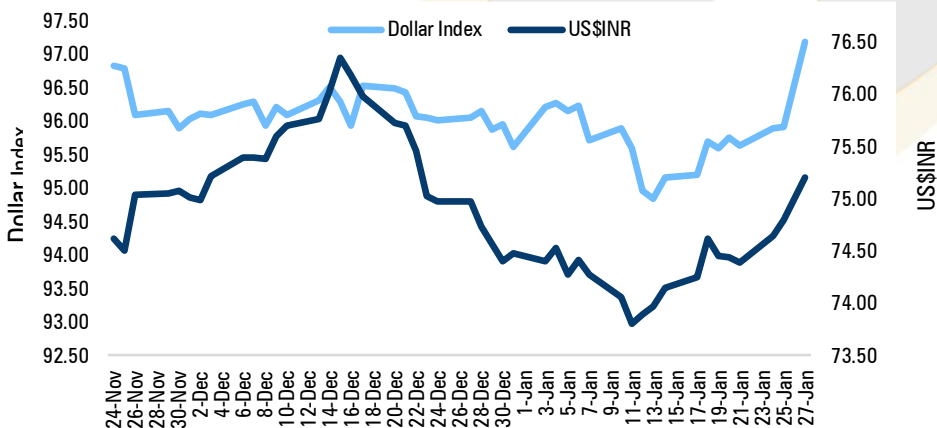
Domestic Currencies

Futures	LTP	Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR 25FEB2022	75.43	0.52%	41860	36.07%	75844	219.42%
EURINR 25FEB2022	84.47	-0.29%	4258	60.98%	3549	44.98%
GBPINR 25FEB2022	101.04	-0.05%	3828	44.84%	4223	91.95%

Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR 27OCT2021	74.85	75.14	75.37	75.66	75.89
USDINR 26NOV2021	75.23	75.44	75.62	75.83	76.01
EURINR 27OCT2021	84.16	84.31	84.55	84.71	84.95
EURINR 26NOV2021	84.37	84.57	84.91	85.11	85.45
GBPINR 27OCT2021	100.79	100.91	101.16	101.28	101.53
GBPINR 26NOV2021	101.08	101.22	101.47	101.60	101.85

Dollar Index vs US\$INR



- The US dollar surged 1.31% on Thursday on the back of improved GDP data from US. Further, hawkish statements from US Fed supported dollar. US GDP expanded at a 6.9% annualised rate in CYQ4, the best performance since 1984. However, the decline in US 10 year treasury yields capped further upside in the dollar
- Rupee future maturing on February 25 depreciated by 0.45% amid firm dollar, elevated crude oil prices and sell off in the domestic markets
- The rupee is expected to depreciate today due to stronger dollar. Further, rising crude oil may continue to put pressure on the Rupee for the day. Meanwhile, investors will keep an eye on series of macroeconomic data from US. US\$INR (February) is expected to rise towards 75.60

GBPINR Strategy

GBPINR February futures contract (NSE)

Sell GBPINR in the range of 100.75-100.78

Target: 100.50

Stop Loss: 100.90

Support: 100.50/100.30

Resistance: 100.90/101.20

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
US\$INR	Feb futures	Buy	75.03	75.35	74.88	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	75.22	75.22	0.00%
EURUSD	1.11	1.11	0.04%
EURINR	83.85	83.78	0.08%
GBPUSD	1.34	1.34	0.07%
GBPINR	100.75	100.64	0.11%

Global Bonds

Bond Yields	LTP	P. Close	Change
United States 10-Year	1.82	1.81	0.011
United Kingdom 10-Year	1.23	1.23	0.001
Germany 10-Year	-0.07	-0.06	-0.015
Japan 10-Year	0.16	0.16	-0.002
India 10-Year	6.75	6.75	0.084

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net ₹Crores
Equity	7375	14331	-6956
Debt	397	460	-63
Net			-7020

- The Euro depreciated by 0.82% on Thursday amid a firm dollar. Further, stronger economic data from US pressured more downside to the Euro. However, a sharp downside was cushioned on rise in risk appetite in the European markets and on improved GfK German Consumer Climate data
- The Euro is expected to trade with a negative bias mainly due to uptick in dollar. Further, Euro may slip on the back of expectations of disappointing GDP data from Germany and divergence in the monetary policy between US Fed and ECB. The German GDP is forecast to slip by -0.3% in CYQ4 compared to 1.7% in the CYQ3. EURINR (February) is expected to trade in a range of 83.80-84.65
- The pound depreciated by 0.55% on Thursday amid concerns over political uncertainty in the Boris Johnson government. Further, surge in dollar added more downside pressure to the pound. However, a sharp downside was cushioned on better than expected CBI trades survey data from UK
- The pound is expected to trade with a negative bias amid stronger dollar and rising political uncertainty in the Britain. However, expectation that Bank of England will increase interest rates as soon as next week in policy meeting may support the pound. Meanwhile, further weakness in the rupee against dollar may provide some support to the GBPINR on lower side
- The GBPINR (February) is facing strong resistance at 101.20 levels. As long as they sustain below this level, GBPINR is likely to correct further towards 100.20 levels for the day

Economic Calendar

TIME (IST)	COUNTRY	DATA & EVENTS	FORECAST	PREVIOUS
2:30 PM	Europe	German GDP (QoQ) (Q4)	-0.30%	1.70%
2:30 PM	Europe	German GDP (YoY) (Q4)	1.80%	2.50%
3:30 PM	Europe	Consumer Confidence (Jan)	-8.50	-8.50
7:00 PM	US	Core PCE Price Index (YoY) (Dec)	4.80%	4.70%
7:00 PM	US	Personal Income (MoM) (Dec)	-	0.40%
7:00 PM	US	Personal Spending (MoM) (Dec)	-0.60%	0.60%



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ANALYST CERTIFICATION

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