

January 31, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Feb futures	Sell	83.95	83.65	84.10	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

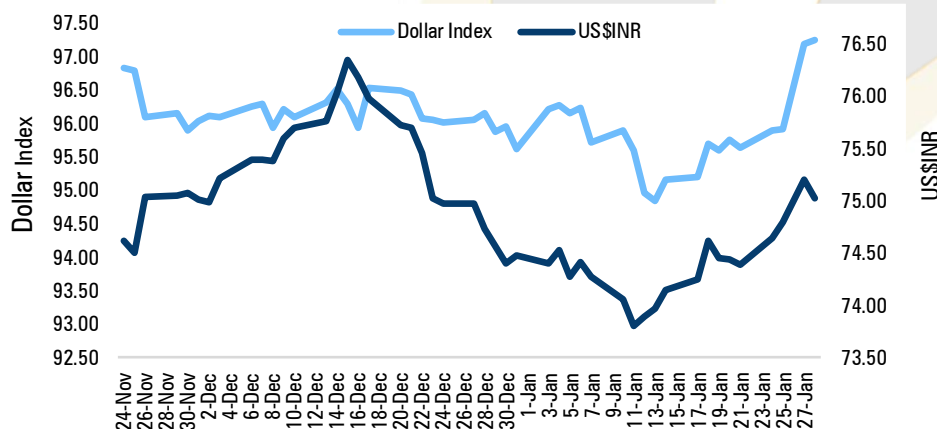
## Domestic Currencies

Futures	LTP	Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR 25FEB2022	75.33	-0.10%	47756	15.15%	54203	-28.53%
EURINR 25FEB2022	83.97	-0.55%	5640	33.18%	4161	17.24%
GBPINR 25FEB2022	100.89	-0.16%	5393	40.66%	5972	41.42%

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR 25FEB2022	74.96	75.15	75.30	75.49	75.65
USDINR 29MAR 2022	75.22	75.40	75.55	75.73	75.88
EURINR 25FEB2022	83.47	83.72	84.06	84.31	84.65
EURINR 29MAR 2022	83.77	84.02	84.36	84.61	84.95
GBPINR 25FEB2022	100.33	100.61	100.86	101.14	101.39
GBPINR 29MAR 2022	100.62	100.91	101.19	101.49	101.77

## Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar traded 0.02% flat on Friday amid mixed economic data from US. The PCE price index expanded at a 4.9% YoY in December, the highest rise since September 1983. However, disappointing personal spending data from US capped further upside in dollar
- Rupee future maturing on February 25 appreciated by 0.10% despite elevated crude oil prices and higher FII outflows from domestic markets
- The rupee is expected to depreciate today amid a surge in crude oil prices and on hawkish statement from US Fed. Meanwhile, investors will keep an eye on India's Economic survey. US\$INR (February) is expected to trade in a range of 75.10-75.60 for the day

## EURINR Strategy

### EURINR February futures contract (NSE)

Sell EURINR in the range of 83.95-83.97

Target: 83.65

Stop Loss: 84.10

Support: 83.65/83.40

Resistance: 84.10/84.25

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	Feb futures	Sell	100.75	100.50	100.90	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	75.00	75.22	-0.29%
EURUSD	1.12	1.11	0.06%
EURINR	83.67	83.78	-0.13%
GBPUSD	1.34	1.34	0.17%
GBPINR	100.62	100.64	-0.02%

## Global Bonds

Bond Yields	LTP	P. Close	Change
United States 10-Year	1.78	1.78	-0.002
United Kingdom 10-Year	1.24	1.24	-0.001
Germany 10-Year	-0.05	-0.04	-0.007
Japan 10-Year	0.17	0.16	0.001
India 10-Year	6.77	6.77	0.023

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net ₹Crores
Equity	12698	18219	-5521
Debt	135	133	1
Net			-5520

- The Euro was traded flat on Friday on the back of mixed economic data from the euro area. Meanwhile, risk aversion in European markets and disappointing GDP data from Germany added more downside pressure to the Euro. The German GDP declined to -0.7% in CYQ4 compared to 1.7% in the CYQ3
- The Euro is expected to trade with a negative bias mainly due to firm dollar and risk aversion in the European markets. Further, the Euro may slip on the back of expectation of disappointing CPI data from Germany and divergence in the monetary policy. The German CPI is forecast to decline by 0.30% compared to 0.50% in the previous month. EURINR (February) is expected to correct further towards 83.40 levels for the day
- The pound appreciated by 0.14% on Friday amid rising expectations that Bank of England will increase interest rates as early as next week. However, sharp gains were capped on risk aversion in the domestic markets and on fears over political crisis in the Boris Johnson government
- The pound is expected to trade with a negative bias on the back of rising concerns over political turmoil in the Britain and uptick in the dollar. Further, large speculators reduced their net positions in Pound over the last week, which may continue to put pressure on the pound
- 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 100.0 levels for the day

# Economic Calendar

TIME (IST)	COUNTRY	DATA & EVENTS	FORECAST	PREVIOUS
3:30 PM	Europe	GDP (YoY)	4.70%	3.90%
3:30 PM	Europe	GDP (QoQ)	0.30%	2.20%
6:30 PM	Europe	German CPI (MoM) (Jan)	-0.30%	0.50%
6:30 PM	Europe	German CPI (YoY) (Jan)	4.30%	5.30%
8:15 PM	US	Chicago PMI (Jan)	61.70	63.10



---

Pankaj Pandey

Head – Research

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

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

---

## 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.

### Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com).

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Limited. The author may be holding a position in currency derivatives as on date of release of this report. ICICI Securities Limited may be holding a proprietary position in currency derivatives as on the date of release of this report." This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. ICICI Securities Ltd and affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities Ltd and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on [www.icicibank.com](http://www.icicibank.com).