

February 25, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Mar futures	Buy	76.00	76.30	75.85	1 day

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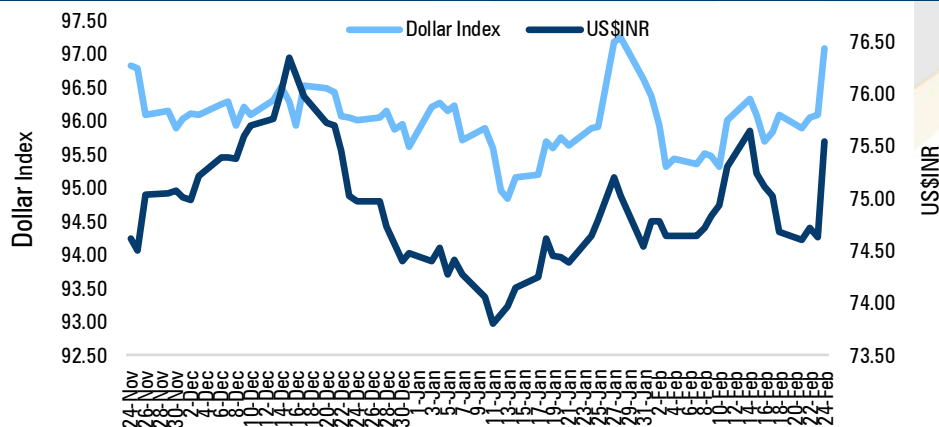
## Domestic Currencies

Futures	LTP	Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR 29MAR2022	76.02	1.49%	2323382	48.78%	6473429	193.17%
EURINR 29MAR2022	84.88	-0.23%	100351	22.72%	437602	273.20%
GBPINR 29MAR2022	101.79	-0.08%	90497	-11.34%	308502	165.80%

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR 29MAR2022	74.72	75.37	75.70	76.35	76.68
USDINR 27APR2022	75.00	75.67	76.01	76.68	77.03
EURINR 29MAR2022	84.29	84.59	84.91	85.20	85.52
EURINR 27APR2022	84.87	85.15	85.42	85.69	85.96
GBPINR 29MAR2022	101.36	101.57	101.82	102.03	102.28
GBPINR 27APR2022	101.75	101.97	102.23	102.45	102.71

## Dollar Index vs US\$INR



- The dollar index surged 0.98% on Thursday after Russia launched an invasion of Ukraine, as investors moved towards safe haven assets. Further, better-than-expected GDP and initial jobless claims data from the US lifted the dollar. However, sharp gains were capped on a decline in US treasury yields
- Rupee February futures depreciated by 1.49% amid stronger dollar and pessimistic sentiments in domestic markets
- The rupee is expected to depreciate today due to rising crude oil prices and higher FII fund outflows from domestic markets. Further, risk aversion in global markets and expectations of better personal spending data from the US may continue to support the dollar. US\$INR (March) is likely to rise further towards 76.50 for the day

## US\$INR Strategy

### US\$INR March futures contract (NSE)

Buy US\$INR in the range of 75.98- 76.00

Target: 76.30

Stop Loss: 75.85

Support: 75.85/75.60

Resistance: 76.30/76.50

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Mar futures	Sell	85.05	84.75	85.20	Stoploss triggered

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	75.60	74.63	1.30%
EURUSD	1.11	1.13	-1.04%
EURINR	84.60	84.39	0.24%
GBPUSD	1.34	1.35	-1.23%
GBPINR	101.11	101.06	0.05%

## Global Bonds

Bond Yields	LTP	P. Close	Change
United States 10-Year	1.97	1.99	-0.020
United Kingdom 10-Year	1.44	1.45	-0.007
Germany 10-Year	0.15	0.22	-0.074
Japan 10-Year	0.20	0.19	0.009
India 10-Year	6.76	6.76	0.020

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Crores
Equity	4639	7477	-2838
Debt	426	377	49
Net			-2789

- The Euro edged lower by 1.04% on Thursday as market participants rushed into safe haven currencies such as dollar and Yen after Russian forces attacked Ukraine. Moreover, decline in German treasury yields and selloff in the global markets weighed on the Euro. Additionally, disappointing economic data from eurozone continued to put pressure on the single currency
- The Euro is expected to trade with a negative bias today, due to firm dollar and conflict between Russia and Ukraine. At the same time, risk aversion in the global markets and expectations of unsatisfactory GDP data from Germany will hurt euro for the day. German GDP is expected to decline 0.70% in Q4CY21 compared to 1.7% level in the Q3CY21. Meanwhile, investors will remain cautious ahead of ECB President Lagarde's speech scheduled today. EURINR (March) is expected to correct towards 84.60 levels for the day
- The pound declined 1.23% on Thursday as Russian forces begun military operation in Ukraine. Further, rise in dollar and less hawkish comments from Bank of England monetary policy committee officials weighed on British currency
- The pound is expected to trade with a negative bias today, due to uptick in dollar and weaker sentiments in the global markets. Further, escalating tensions in the eastern Europe will weigh on sterling. On the domestic front, rupee depreciation against dollar may prevent further decline in the GBPINR pair for the day. GBPINR (March) is likely to correct towards 101.40 levels for the day

TIME (IST)	COUNTRY	DATA & EVENTS	FORECAST	PREVIOUS
12:30 PM	Europe	German GDP (YoY) (Q4)	1.40%	2.50%
12:30 PM	Europe	German GDP (QoQ) (Q4)	-0.70%	1.70%
12:30 PM	Europe	German Import Price Index (MoM) (Jan)	1.60%	0.10%
4:45 PM	Europe	ECB President Lagarde Speaks	-	-
7:00 PM	US	Core PCE Price Index (MoM) (Jan)	0.50%	0.50%
7:00 PM	US	Core PCE Price Index (YoY) (Jan)	5.10%	4.90%
7:00 PM	US	Personal Spending (MoM) (Jan)	1.50%	-0.60%
8:30 PM	US	Pending Home Sales (MoM) (Jan)	1.00%	-3.80%



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## ANALYST CERTIFICATION

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