

February 28, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Mar futures	Buy	75.60	76.00	75.45	1 day

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Rupee Outlook and Strategy

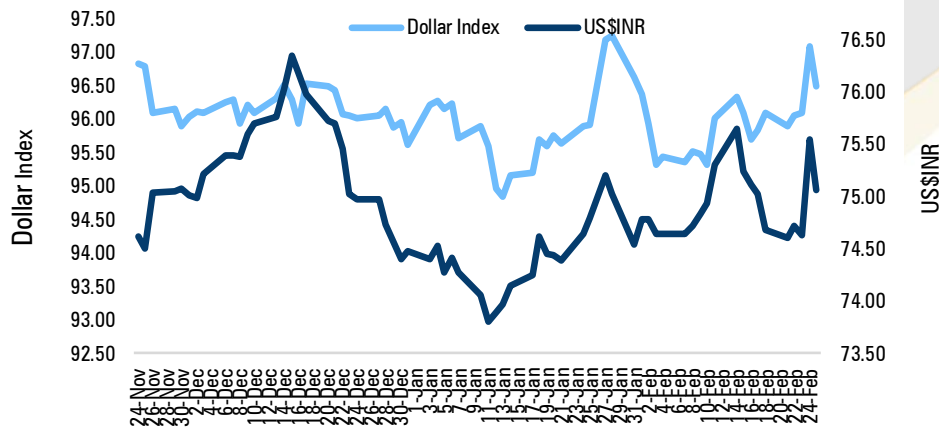
Domestic Currencies

Futures	LTP	Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR 29MAR2022	75.60	-0.51%	2352556	1.77%	3278894	-49.35%
EURINR 29MAR2022	84.60	-0.39%	117525	18.05%	270386	-38.21%
GBPINR 29MAR2022	101.15	-0.62%	102211	14.39%	278031	-9.88%

Pivot levels

Futures	S2	S1	Pivot	R1	R2
USDINR 29MAR2022	75.17	75.38	75.63	75.84	76.09
USDINR 27APR2022	75.15	75.54	76.14	76.53	77.14
EURINR 29MAR2022	84.20	84.40	84.69	84.89	85.18
EURINR 27APR2022	84.71	84.88	85.14	85.31	85.56
GBPINR 29MAR2022	100.62	100.88	101.27	101.53	101.92
GBPINR 27APR2022	100.76	101.18	101.89	102.31	103.02

Dollar Index vs US\$INR



- The dollar index declined 0.54% on Friday amid rise in risk appetite in the global markets and decline in US treasury yields. However, improved macroeconomic data from the US and rising tensions in Ukraine cushioned a further decline in the dollar
- Rupee February futures appreciated by 0.51% on the back of retreat in dollar and softer crude oil prices
- The rupee is expected to depreciate today due to expectations of disappointing GDP data from India. Further, continuous FII fund outflows from domestic markets will weigh on the rupee. Moreover, pessimistic sentiments in the global markets may continue to put pressure on the rupee. Additionally, investors will keep an eye on Chicago PMI data from the US. US\$INR (March) is likely to rise towards 76.10 for the day

US\$INR Strategy

US\$INR March futures contract (NSE)

Buy US\$INR in the range of 75.59- 75.60

Target: 76

Stop Loss: 75.45

Support: 75.45/75.30

Resistance: 76.0/76.25

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
US\$INR	Mar futures	Buy	76.00	76.30	75.85	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	75.06	75.40	-0.46%
EURUSD	1.13	1.12	0.69%
EURINR	84.59	84.60	-0.01%
GBPUSD	1.34	1.34	0.29%
GBPINR	100.71	101.12	-0.41%

Global Bonds

Bond Yields	LTP	P. Close	Change
United States 10-Year	1.97	1.98	-0.014
United Kingdom 10-Year	1.49	1.49	0.001
Germany 10-Year	0.22	0.22	-0.006
Japan 10-Year	0.20	0.21	-0.005
India 10-Year	6.75	6.75	-0.020

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Crores
Equity	9191	15879	-6687
Debt	290	321	-31
Net			-6719

- The Euro rallied by 0.69% on Friday amid weaker dollar and better-than-expected GDP data from Germany. German GDP YoY expanded to 1.8% in Q4CY21 compared to expected levels of 1.4% in the Q3CY21. However, European Central Bank (ECB) policymakers said the situation in Ukraine could cause the ECB to slow its exit from stimulus measures, which has capped upside gains in the single currency
- The Euro is likely to trade with a negative bias today, due to expectations of delay in monetary tightening by European Central Bank as the war in Ukraine raises uncertainty. Further, risk aversion in the global markets may weigh on the single currency. EURINR (March) is expected to correct towards 84.20 levels for the day
- The pound rebounded by 0.29% on Friday on the back of downtick in dollar and positive sentiments in the global markets. At the same time, surge in 10 year UK treasury yields continued to support the British currency. However, a sharp gains were capped on dovish comments from Bank of England monetary policy committee officials
- The pound is expected to trade with a negative bias today, due to rising geopolitical tensions between Russia and Ukraine. Moreover, CFTC data showed on Friday, large speculators reduced their net long positions in pound over the last week, which may hurt the British currency. Further, investors will keep focus on Nationwide HPI data from UK. GBPINR (March) is likely to correct towards 100.75 levels for the day

Economic Calendar

TIME (IST)	COUNTRY	DATA & EVENTS	FORECAST	PREVIOUS
12:30 PM	UK	Nationwide HPI (YoY)	-	11.20%
12:30 PM	UK	Nationwide HPI (MoM)	-	0.80%
5:30 PM	India	GDP Quarterly (YoY) (Q3)	6.00%	8.40%
7:00 PM	US	Goods Trade Balance (Jan)	-	-100.47B
8:15 PM	US	Chicago PMI (Feb)	63.00	65.20



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ANALYST CERTIFICATION

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