

April 20, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Apr futures	Buy	76.50	76.80	76.35	1 day

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# Rupee Outlook and Strategy

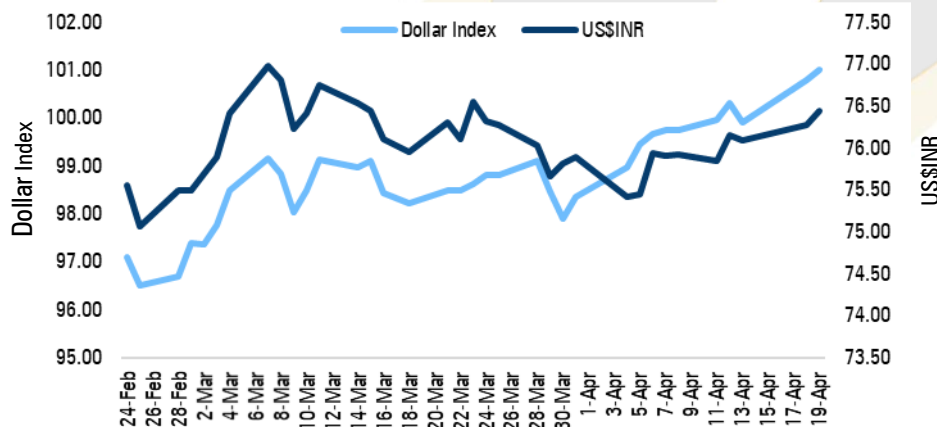
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Apr)	76.61	0.37%	2935167	-88312	2754228	378497
EURINR (27th Apr)	82.69	0.14%	166027	-5167	164665	56298
GBPINR (27th Apr)	99.73	0.24%	115300	-21313	183530	37728

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th Apr-22)	76.19	76.40	76.52	76.73	76.85
US\$INR (27th May-22)	76.47	76.67	76.79	76.99	77.10
EURINR (27th Apr-22)	82.12	82.41	82.58	82.87	83.05
EURINR (27th May-22)	82.52	82.80	82.97	83.25	83.41
GBPINR (27th Apr-22)	99.00	99.37	99.61	99.97	100.21
GBPINR (27th May-22)	99.37	99.71	99.95	100.29	100.52
JPYINR (27th Apr-22)	59.08	59.44	59.91	60.26	60.73
JPYINR (27th May-22)	59.46	59.78	60.18	60.49	60.90

## Dollar Index vs US\$INR



- The US dollar rallied amid surge in US treasury yields and hawkish statement from Fed officials. Chicago Fed President Charles Evan signalled that he is comfortable with a round of rate hike this year including two 50 bps increases. Additionally, better than expected economic data from US and divergence in global monetary policy supported dollar
- Rupee future maturing on April 27 depreciated by 0.37% yesterday amid risk aversion in the domestic markets and strong dollar. Further, rupee slipped on persistent FII outflows
- The rupee is expected to depreciate today amid firm dollar and consistent FII outflows. Further, international agencies like World Bank and IMF slashed its forecast for global economic growth citing Russia's invasion of Ukraine. IMF reduced India's growth outlook. It expects economy to grow by 8.2% in FY23 compared to 9% estimated in January. It also expects current account deficit for FY23 to be 3.1% of GDP

## US\$INR Strategy

### USDINR April futures contract (NSE)

Buy USDINR in the range of 76.50-76.52

Target: 76.80

Support: 76.35/76.25

Stoploss: 76.35

Resistance: 76.70/76.80

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	Apr futures	Sell	99.35	99.05	99.50	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

Currencies	Close	Pvs. Close	% Change
DXY	101.00	100.80	0.20%
US\$INR	76.44	76.28	0.21%
EURUSD	1.0794	1.0780	0.13%
EURINR	82.51	82.22	0.35%
GBPUSD	1.3014	1.3010	0.03%
GBPINR	99.49	99.22	0.27%

## Global Bonds

Country	Close	Pvs. Close	Change
India	7.151	7.153	-0.002
US	2.941	2.861	0.08
UK	1.970	1.890	0.08
Japan	0.248	0.244	0.004
Germany	0.913	0.841	0.072

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7711.52	14194.56	-6483.04
Debt	532.64	209.69	322.95
Net			-6160.09

- Euro recovered some ground and appreciated by 0.13% against dollar. However, sharp upside was capped on risk aversion in the domestic markets and divergence in monetary policy between Fed who is determined to keep a lid on rising inflation by tightening its monetary policy and ECB who has kept interest rates ultra low
- Euro is expected to trade with negative bias on the back of strong dollar and weak global market sentiments. Further, euro may slip on concern over slower economic growth and rising inflation. World Bank and IMF has slashed their forecast for global economic growth amid Russia-Ukraine conflict. IMF cuts its global growth outlook for 2022 to 3.6% from 4.4%. EU highly dependent on Russian energy saw its 2022 growth forecast cut by 1.1 percentage points. Meanwhile, expectation of improved economic data from euro area may prevent further downside in single currency. EURINR (April) is expected to trade in a range of 82.45-83.00
- Pound appreciated marginally by 0.03% yesterday amid rise in 10 year treasury yields. However, sharp upside was capped on worries over political uncertainty, selloff in domestic markets and strong dollar. Further, IMF cut its economic growth forecast for Britain this year to 3.7% from January forecast of 4.7%, while for 2023 the growth rate was almost halved to 1.2% from 2.3%
- Pound is expected to trade with negative bias amid strong dollar and pessimistic global market sentiments. Further, investors will remain vigilant ahead of Bank of England Governor Andrew Bailey speech scheduled on Thursday. Additionally, investors are unsure whether BOE will follow its global counterparts in raising interest rates aggressively to tame inflation. GBPINR (April) is expected to trade in a range of 99.45-100.00.

Data	Country	Time	Actual	Expected	Previous	Impact
Industrial Production m/m	Europe	2:30pm	-	0.80%	0.00%	Medium
Existing Home Sales	US	7:30pm	-	5.78M	6.02M	Medium
IMF Meetings	All	Day 3	-	-	-	Medium
Crude Oil Inventories	US	8:00pm	-	3.0M	9.4M	Medium



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