

April 21, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Apr futures	Sell	76.30	76.00	76.45	1 day

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# Rupee Outlook and Strategy

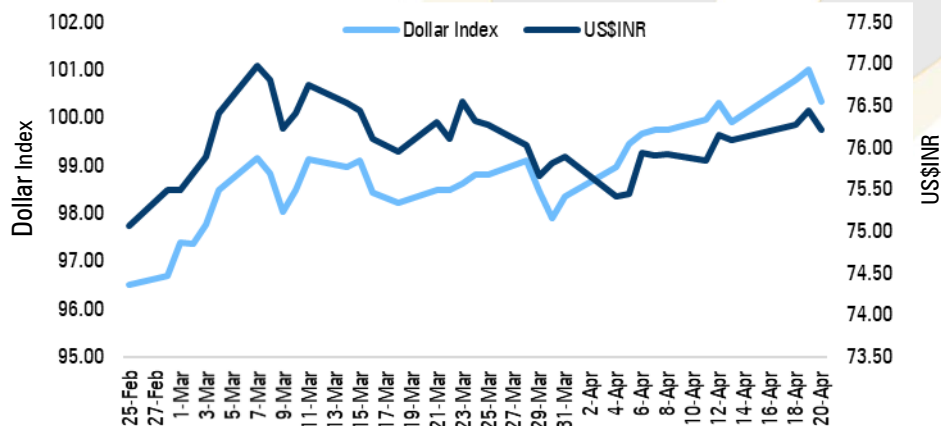
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Apr)	76.28	-0.43%	2910692	-24475	3247467	493239
EURINR (27th Apr)	82.79	0.11%	154470	-11557	161055	-3610
GBPINR (27th Apr)	99.59	-0.14%	114693	-607	132292	-51238

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th Apr-22)	75.96	76.12	76.36	76.51	76.75
US\$INR (27th May-22)	76.16	76.35	76.67	76.86	77.18
EURINR (27th Apr-22)	82.47	82.63	82.80	82.96	83.13
EURINR (27th May-22)	82.86	83.02	83.19	83.34	83.51
GBPINR (27th Apr-22)	99.18	99.39	99.58	99.79	99.98
GBPINR (27th May-22)	99.55	99.74	99.92	100.11	100.29
JPYINR (27th Apr-22)	59.35	59.54	59.69	59.89	60.04
JPYINR (27th May-22)	59.61	59.83	59.99	60.21	60.37

## Dollar Index vs US\$INR



- The US dollar retreated from its high amid a decline in US treasury yields. Moreover, the Beige book reported the economy expanded at a moderate pace in early spring amid high inflation and geopolitical instability. However, further downside was cushioned on hawkish statement from Fed officials
- Rupee future maturing on April 27 appreciated by 0.43% yesterday amid a weak dollar, softening of crude oil prices and rise in risk appetite in domestic markets. Meanwhile, consistent FII outflows prevented further gains
- The rupee is expected to appreciate today amid a pullback in dollar from its two year high, easing crude oil prices and optimistic domestic market sentiments. However, sharp gains may be prevented on persistent FII outflows and worries over escalating geopolitical tensions. Also, investors will stay vigilant ahead of major central bank policymaker's speeches to get hints on future monetary stance

## US\$INR Strategy

### USDINR April futures contract (NSE)

Sell USDINR in the range of 76.28-76.30

Target: 76.00

Stoploss: 76.45

Support: 76.10/76.00

Resistance: 76.45/76.55

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
US\$INR	Apr futures	Buy	76.50	76.80	76.35	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	100.33	101.00	-0.66%
US\$INR	76.21	76.44	-0.30%
EURUSD	1.0850	1.0794	0.52%
EURINR	82.75	82.51	0.29%
GBPUSD	1.3068	1.3014	0.41%
GBPINR	99.67	99.49	0.19%

## Global Bonds

Country	Close	Pvs. Close	Change
India	7.105	7.151	-0.046
US	2.916	2.941	-0.025
UK	1.919	1.970	-0.051
Japan	0.255	0.248	0.007
Germany	0.855	0.913	-0.058

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9379.16	14469.03	-5089.87
Debt	135.67	648.54	-512.87
Net			-5602.74

- The Euro appreciated by 0.52% in yesterday's trading session on a weak dollar and rise in risk appetite in the domestic markets. Further, the Euro rallied on news that some ECB policymakers were forecasting a first rate hike as early as July. Moreover, improved economic data from eurozone supported the single currency
- The Euro is expected to trade with a positive bias amid a weak dollar and rise in risk appetite in the global markets. However, sharp upsides may be capped on concerns over slower economic growth and rising inflation. IMF has slashed its forecast for EU, which is highly dependent on Russian energy. Additionally, investors will remain vigilant ahead of ECB President Lagarde's speech to get hints on future monetary stance. EURINR (April) is expected to trade in a range of 82.50-83.00
- The pound appreciated by 0.41% yesterday amid weak dollar and optimistic domestic market sentiments. However, sharp upsides were capped on worries over political uncertainty and as the IMF forecast slower economic growth and more persistent inflation for Britain
- The pound is expected to trade with a positive bias on the back of weakness in dollar and rise in risk appetite in the global markets. Further, investors will remain vigilant ahead of Bank of England Governor Andrew Bailey's speech to get hints on future rate hikes. Recently, BoE has softened its language on the need for more increases after raising rates three time since December 2021. GBPINR (April) is expected to trade in a range of 99.35-99.95.

Data	Country	Time	Actual	Expected	Previous	Impact
Philly Fed Manufacturing Index	US	6:00pm	-	21.5	27.4	Medium
Unemployment Claims	US	6:00pm	-	177K	185K	Medium
BOE Gov Bailey Speaks	UK	10:00pm	-	-	-	High
ECB President Lagarde Speaks	Europe	10:30pm	-	-	-	High
Fed Chair Powell Speaks	US	10:30pm	-	-	-	High



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