

April 22, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Apr futures	Sell	82.90	82.60	83.05	1 day

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Rupee Outlook and Strategy

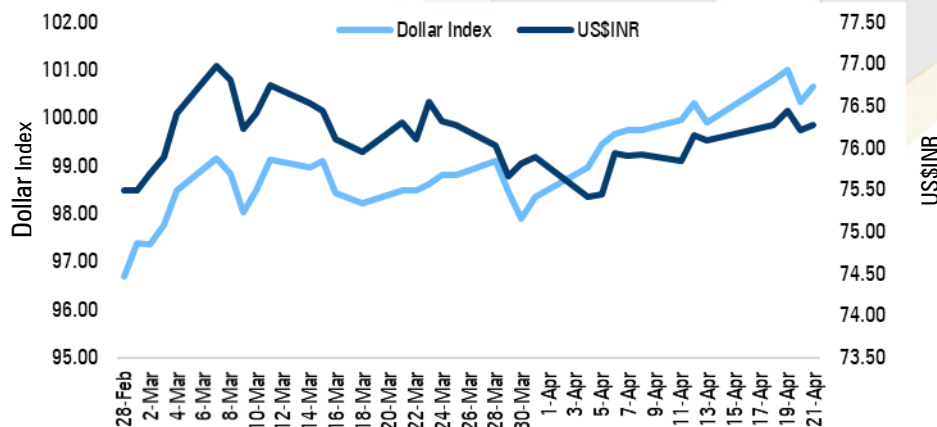
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Apr)	76.21	-0.09%	2883941	-26751	2562103	-685364
EURINR (27th Apr)	83.00	0.26%	126990	-27480	227941	66886
GBPINR (27th Apr)	99.50	-0.09%	116480	1787	150934	18642

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th Apr-22)	75.97	76.09	76.24	76.37	76.52
US\$INR (27th May-22)	76.24	76.36	76.51	76.63	76.79
EURINR (27th Apr-22)	82.33	82.67	82.99	83.33	83.65
EURINR (27th May-22)	82.72	83.05	83.36	83.70	84.01
GBPINR (27th Apr-22)	99.26	99.38	99.56	99.68	99.86
GBPINR (27th May-22)	99.61	99.73	99.90	100.01	100.18
JPYINR (27th Apr-22)	59.24	59.41	59.55	59.72	59.87
JPYINR (27th May-22)	59.70	59.79	59.89	59.98	60.09

Dollar Index vs US\$INR



- The US dollar rallied on a decline in US stocks and improved economic data from US. Further, US Federal Reserve Chairman Jerome Powell signalled that central bank was likely to raise interest rates by 50 bps at its meeting next month, including consecutive rate increases this year
- Rupee future maturing on April 27 appreciated by 0.09% yesterday amid retreat in dollar and rise in risk appetite in the domestic markets. Meanwhile, investors remained vigilant ahead of major central banks policymakers speeches
- The rupee is expected to depreciate today amid strong dollar and risk aversion in the global markets. Risky assets are struggling to hold their momentum as US Fed is preparing to tighten their monetary policy aggressively by raising interest rates several times this year and unwinding its balance sheet. Further, investors will remain cautious ahead of Manufacturing data from major countries across globe. US\$INR (April) is expected to trade in a range of 76.10-76.50

EURINR Strategy

EURINR April futures contract (NSE)

Sell EURINR in the range of 82.90-82.92

Target: 82.60

Stoploss: 83.05

Support: 82.70/82.60

Resistance: 83.05/83.16

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
US\$INR	Apr futures	Sell	76.30	76.00	76.45	Profit Booked

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	100.65	100.33	0.32%
US\$INR	76.28	76.21	0.09%
EURUSD	1.0835	1.0850	-0.14%
EURINR	82.63	82.75	-0.15%
GBPUSD	1.3024	1.3068	-0.34%
GBPINR	99.33	99.67	-0.34%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.144	7.105	0.039
US	2.845	2.916	-0.071
UK	2.012	1.919	0.093
Japan	0.254	0.255	-0.001
Germany	0.947	0.855	0.092

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	6331.33	8670.94	-2339.61
Debt	432.02	1379.94	-947.92
Net			-3287.53

- Euro depreciated by 0.14% yesterday's amid strong dollar. Further, ECB President Lagarde said central bank may need to cuts its growth outlook further as fallout from Russia invasion of Ukraine weighs on households and businesses. However, further downside was cushioned on hawkish comments from some ECB officials who are forecasting rate hike sooner. Joachim Nagel president of Germany's Bundesbank said ECB could raise interest rates at the start of third quarter
- Euro is expected to trade with negative bias amid strong dollar and risk aversion in the global markets. Further, market participants are worried over stagflation. Additionally, euro may slip on divergence in monetary policy and expectation of disappointing economic data from Euro Area. Euro Area Manufacturing and Services PMI data are likely to show that activity in both sector slowed down. EURINR (April) is expected to trade in a range of 82.60-83.05
- Pound depreciated by 0.34% yesterday amid strong dollar and worries over political uncertainty. Further, pound slipped as MPC members have softened their language on the need for more rate hike. BOE policymaker Catherine Mann said interest rates would probably have to go up "a little bit" further
- Pound is expected to trade with negative bias on the back of strong dollar and pessimistic global market sentiments. Furthermore, expectation of disappointing economic data from Britain will hurt sterling. Manufacturing and Services PMI data are likely to show that activity in both sector slowed down. Further, investors will remain vigilant ahead of BOE Governor Andrew Bailey speech to get the hints on future monetary stance. GBPINR (April) is expected to trade in a range of 99.35-99.75.

Data	Country	Time	Actual	Expected	Previous	Impact
Retail Sales m/m	UK	11:30am	-	-0.30%	-0.30%	Medium
French Flash Manufacturing PMI	Europe	12:45pm	-	53.7	54.7	Medium
German Flash Manufacturing PMI	Europe	1:00pm	-	54.6	56.9	High
Flash Manufacturing PMI	Europe	1:30pm	-	54.9	56.5	Medium
Flash Manufacturing PMI	UK	2:00pm	-	53.9	55.2	Medium
ECB President Lagarde Speaks	Europe	6:30pm	-	-	-	Medium
Flash Manufacturing PMI	US	7:15pm	-	58.1	58.8	Medium
BOE Gov Bailey Speaks	UK	8:00pm	-	-	-	High



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