

April 26, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Apr futures	Sell	82.40	82.10	82.55	1 day

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Rupee Outlook and Strategy

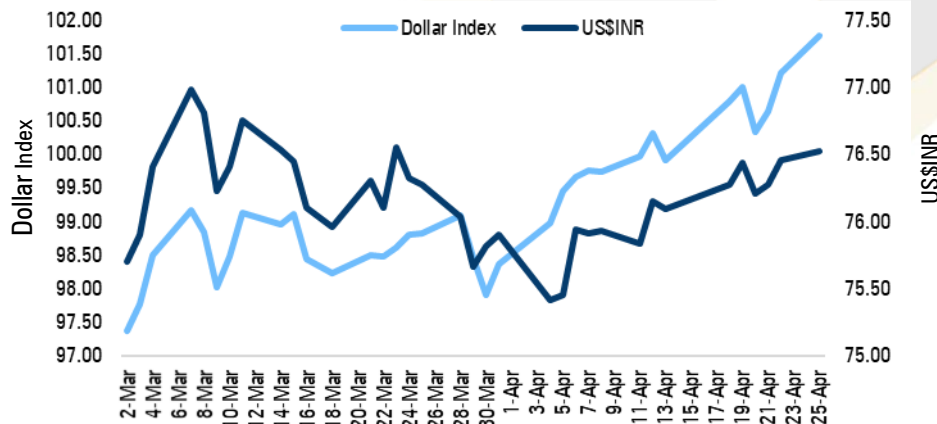
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Apr)	76.71	0.34%	2576303	-215578	2736365	-743520
EURINR (27th Apr)	82.37	-0.49%	108198	-16702	155785	-15431
GBPINR (27th Apr)	97.71	-1.05%	103280	-25725	240872	-16115

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th Apr-22)	76.42	76.57	76.68	76.82	76.93
US\$INR (27th May-22)	76.66	76.82	76.94	77.09	77.21
EURINR (27th Apr-22)	81.93	82.15	82.45	82.67	82.97
EURINR (27th May-22)	82.37	82.58	82.86	83.06	83.34
GBPINR (27th Apr-22)	97.08	97.39	97.87	98.18	98.66
GBPINR (27th May-22)	97.29	97.68	98.33	98.72	99.37
JPYINR (27th Apr-22)	59.51	59.70	59.87	60.06	60.24
JPYINR (27th May-22)	59.83	60.02	60.18	60.37	60.53

Dollar Index vs US\$INR



- US dollar continued with its upward move on bets that US Fed will tighten their monetary policy more quickly. Further, demand for dollar increased on dimmer outlook for the world economy and on worries that China's strict policies to combat Covid-19 may disrupt global supply chains and hurt economic growth
- Rupee future maturing on April 27 depreciated by 0.34% yesterday on the back of strong dollar and risk aversion in the domestic markets. Further, rupee slipped on persistent FII outflows
- Rupee is expected to depreciate today amid firm dollar and weak global market sentiments. Market sentiments are hurt as investors fear that lockdown in China to curb the spread of covid-19 and ongoing war in Ukraine will disrupt global supply chain and threatens to worsen inflationary pressures. This will force major central banks across globe to adopt aggressive monetary tightening. Meanwhile, ease in crude oil price may prevent further downside in Rupee. US\$INR (April) is expected to trade in a range of 76.40-76.80

EURINR Strategy

EURINR April futures contract (NSE)

Sell EURINR in the range of 82.38-82.40

Target: 82.10

Stoploss: 82.55

Support: 82.20/82.10

Resistance: 82.55/82.65

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Apr futures	Sell	82.75	82.45	82.90	Target Achieved

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
DX	101.76	101.21	0.54%
US\$INR	76.52	76.46	0.08%
EURUSD	1.0713	1.0794	-0.75%
EURINR	82.21	82.53	-0.39%
GBPUSD	1.2738	1.2837	-0.77%
GBPINR	97.76	98.15	-0.40%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.043	7.167	-0.124
US	2.818	2.905	-0.087
UK	1.840	1.968	-0.128
Japan	0.251	0.250	0.001
Germany	0.838	0.972	-0.134

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7841.61	9258.41	-1416.8
Debt	221.51	882.62	-661.11
Net			-2077.91

- Euro depreciated by 0.75% yesterday amid strong dollar and weak domestic market sentiments. Meanwhile, better than expected economic data from Euro Area prevented further decline in euro. Additionally, French President Emmanuel Macron's comfortable election victory provided some support at lower levels
- Euro is expected to trade with negative bias on the back of firm dollar and pessimistic global market sentiments. Further, euro may slip on divergence in monetary policy and on fears that Russia-Ukraine conflict threatens to crimp economic growth when inflation remained elevated. EURINR (April) is expected to trade in a range of 82.55-82.10
- Pound depreciated by 0.77% yesterday amid strong dollar and selloff in domestic markets. Pound fell to its lowest level since September 2020. Further, sterling slipped as traders are scaling back their bets on future monetary policy tightening by BOE. Additionally, optimism among manufacturers in Britain fell at its fastest pace since the start of pandemic
- Pound is expected to trade with negative bias on the back of disappointing economic data from Britain and firm dollar. Furthermore, investors are scaling back their bets on aggressive monetary tightening after BOE softened its language on the need for more interest rate increases this year. Market participants are concerned about new lockdowns in China, aggressive monetary tightening by Fed to tackle high inflation, ongoing war in Ukraine and their impact on global economic growth. GBPINR (April) is expected to trade in a range of 97.50-98.35.

Data	Country	Time	Actual	Expected	Previous	Impact
Durable Goods Orders m/m	US	6:00pm	-	1.00%	-2.10%	Medium
CB Consumer Confidence	US	7:30pm	-	108.5	107.2	High
New Home Sales	US	7:30pm	-	774K	772K	Medium
Richmond Manufacturing Index	US	7:30pm	-	9	13	Medium



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