

April 28, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	May futures	Buy	76.70	77.00	76.55	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Thirushankar C R
thirushankar.cr@icicisecurities.com

Rupee Outlook and Strategy

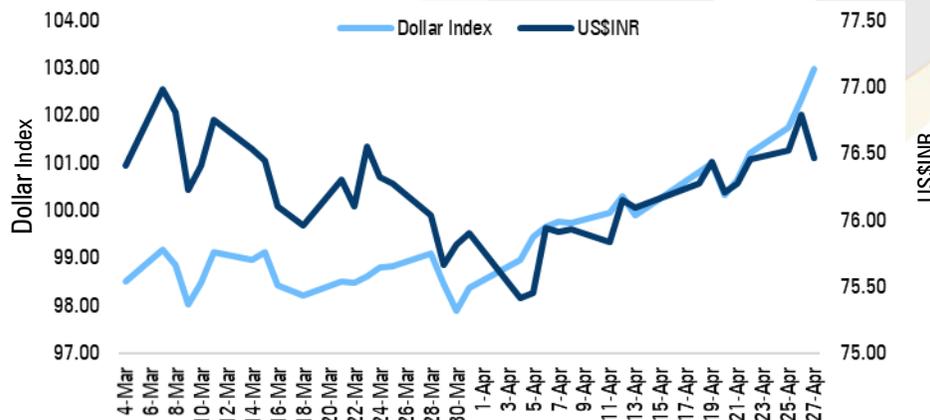
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th May)	76.83	-0.02%	3645356	548467	4100596	2024174
EURINR (27th May)	81.59	-0.84%	129493	38163	307620	165414
GBPINR (27th May)	96.73	-1.02%	136931	21895	225567	136267

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th May-22)	76.61	76.72	76.87	76.97	77.12
US\$INR (28th Jun-22)	76.85	76.95	77.09	77.19	77.33
EURINR (27th May-22)	81.13	81.36	81.75	81.98	82.36
EURINR (28th Jun-22)	81.39	81.66	82.16	82.44	82.94
GBPINR (27th May-22)	96.04	96.39	96.84	97.19	97.64
GBPINR (28th Jun-22)	96.47	96.76	97.13	97.42	97.79
JPYINR (27th May-22)	59.94	60.07	60.27	60.40	60.61
JPYINR (28th Jun-22)	60.25	60.37	60.57	60.69	60.89

Dollar Index vs US\$INR



- US dollar rallied amid surge in US treasury yields and divergence in global monetary policies. US Federal Reserve is expected to be more hawkish than its peers. Additionally, demand for dollar increased on global growth concerns and on hopes that US growth will outpace rest of the world
- Rupee future maturing on April 27 appreciated by 0.02% yesterday amid anticipated inflows related to LIC IPO. However, sharp gains were prevented on strong dollar and rise in crude oil prices
- Rupee is expected to depreciate today amid strong dollar, rise in crude oil prices and weak global market sentiments. Additionally, investors are concerned over global economic growth outlook as Europe is struggling with fallout from Russia's invasion of Ukraine and China's extended lockdown in a bid to curb the spread of Covid-19. Further, market will remain vigilant ahead of GDP data from US. US\$INR (May) as long as it sustains above 76.55 it can slip back till 77.00/77.10

US\$INR Strategy

USDINR May futures contract (NSE)

Buy USDINR in the range of 76.70-76.72

Target: 77.00

Stoploss: 76.55

Support: 76.55/76.45

Resistance: 77.00/77.10

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	May futures	Buy	76.85	77.15	76.70	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	102.97	102.35	0.61%
US\$INR	76.47	76.79	-0.42%
EURUSD	1.0555	1.0643	-0.83%
EURINR	80.89	81.61	-0.89%
GBPUSD	1.2540	1.2582	-0.33%
GBPINR	96.10	96.47	-0.39%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.083	7.053	0.03
US	2.834	2.730	0.104
UK	1.817	1.800	0.017
Japan	0.250	0.247	0.003
Germany	0.804	0.819	-0.015

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7522.16	7417.79	104.37
Debt	270	708.29	-438.29
Net			-333.92

- Euro depreciated by 0.83% yesterday amid strong dollar, disappointing economic data from Euro Area and on concern over energy crisis in Europe. Europe is already struggling with elevated inflation and now surging energy prices will threaten to worsen inflationary pressures. Investors fear that rising recession risk could make ECB reluctant to tighten monetary policy aggressively, lagging far behind the Fed
- Euro is expected to trade with negative bias on the back of strong dollar and divergence in monetary policy. Further, euro may slip on concern over economic growth as EU is struggling with the fallout from Russia's invasion of Ukraine. Additionally, Germany's economy minister cut its economic growth forecast for 2022 to 2.2% from its January prediction of 3.6% growth this year. EURINR (May) is expected to trade in a range of 80.70-81.30
- Pound depreciated by 0.33% yesterday on the back of strong dollar and disappointing economic data from Britain. Further, sterling slipped on concerns over economic growth outlook. Additionally, investors anticipate that BOE will not be as aggressive in raising interest rates as expected before
- Pound is expected to continue with its negative bias amid strong dollar and weak global market sentiments. Furthermore, pound may slip as series of disappointing economic data from country sparked the concern over economic health. Additionally, market participants are scaling back their bets on aggressive monetary tightening by BOE. GBPINR (May) is expected to trade in a range of 96.00-96.65

Data	Country	Time	Actual	Expected	Previous	Impact
BOJ Outlook Report	Japan	Tentative	-	-	-	High
Advance GDP q/q	US	6:00pm	-	1.1%	6.90%	High
Unemployment Claims	US	6:00pm	-	178K	184K	Medium



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruvi Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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