

May 6, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	May futures	Sell	81.00	80.70	81.15	1 day

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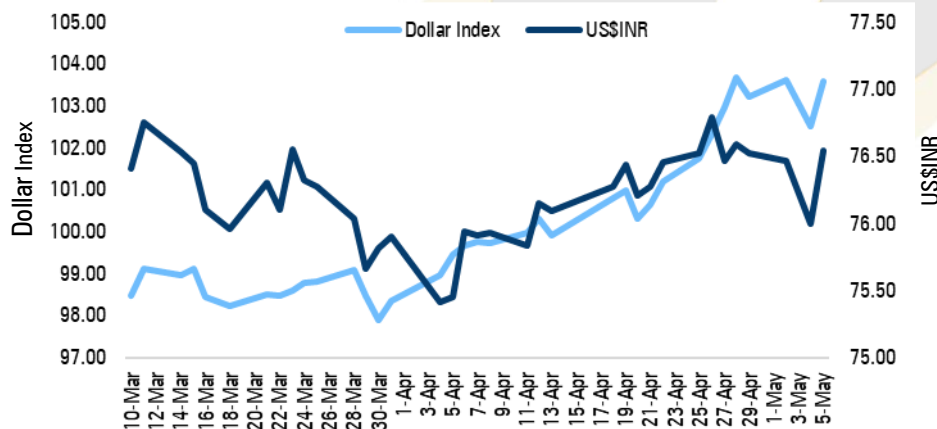
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th May)	76.50	-0.13%	3636200	20317	3504968	3408
EURINR (27th May)	81.05	0.31%	137131	900	202706	70363
GBPINR (27th May)	95.67	-0.28%	150828	23730	385585	212396

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
USSINR (27th May-22)	75.35	75.93	76.23	76.80	77.11
USSINR (28th Jun-22)	76.32	76.53	76.65	76.86	76.99
EURINR (27th May-22)	80.66	80.85	81.07	81.27	81.49
EURINR (28th Jun-22)	81.05	81.24	81.43	81.62	81.81
GBPINR (27th May-22)	94.44	95.06	95.73	96.35	97.02
GBPINR (28th Jun-22)	94.89	95.46	96.03	96.60	97.17
JPYINR (27th May-22)	58.77	58.90	59.06	59.18	59.34
JPYINR (28th Jun-22)	59.08	59.19	59.34	59.45	59.60

## Dollar Index vs US\$INR



- The US dollar rallied on a surge in US treasury yields and sell-off in US stock markets. Further, investors are evaluating how high Fed may raise interest rates over the coming years to combat inflation and how that may impact the economy and corporate profits. Additionally, the dollar advanced as the Fed was seen tightening monetary policy more aggressively than its peers
- Rupee future maturing on May 27 appreciated by 0.13% amid retreat in US dollar and LIC IPO related inflows. However, sharp gains were prevented on surge in crude oil prices
- Rupee is expected to depreciate today amid strong dollar and risk aversion in the global markets. Market sentiments were hurt as investors fear that aggressive monetary tightening by central banks, supply chain disruption and soaring energy prices will hurt economic growth. Moreover, investors will remain vigilant ahead of job data from US. US\$INR (May) is expected to trade in a range of 76.40-76.90

## EURINR Strategy

### EURINR May futures contract (NSE)

Sell EURINR in the range of 80.98-81.00

Target: 80.70

Stoploss: 81.15

Support: 80.80/80.70

Resistance: 81.15/81.30

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	May futures	Sell	76.50	76.20	76.65	Not Initiated

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	103.58	102.52	1.03%
US\$INR	76.54	76.00	0.71%
EURUSD	1.0540	1.0621	-0.76%
EURINR	80.68	81.01	-0.41%
GBPUSD	1.2363	1.2617	-2.01%
GBPINR	94.63	96.24	-1.67%

## Global Bonds

Country	Close	Pvs. Close	Change
India	7.403	7.378	0.025
US	3.052	2.946	0.106
UK	1.967	1.970	-0.003
Japan	0.230	0.230	0
Germany	1.048	0.973	0.075

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	17192.16	20059.41	-2867.25
Debt	449.74	506.84	-57.1
Net			-2924.35

- The Euro depreciated by 0.76% yesterday majorly on the back of strong dollar and risk aversion in the domestic markets. Further, euro slipped on divergence in monetary policy and disappointing economic data from Euro Area. German factory orders decline by 4.7% in March 2022 compared to -0.8% in February 2022
- The Euro is expected to trade with negative bias amid strong dollar and sell-off in global markets. Further, euro may slip on expectation of disappointing economic data from Germany and divergence in monetary policy between ECB and Fed. Furthermore, region struggles with weaker growth and energy disruption due to sanctioned imposed on Moscow for invading Ukraine. EURINR (May) is expected to trade in a range of 80.70-81.15
- The pound depreciated by 2.01% yesterday amid strong dollar. Further, pound slipped after BoE raised its interest rates by 25bps to their highest since 2009 but warned that economy was at risk of recession. BOE kept its forecast for economic growth this year at 3.75%, but slashed its forecast for 2023 and 2024. It expects economy to decline by 0.25% in 2023 from a previous estimate of 1.25% growth. Furthermore, central bank projects consumer price inflation peaking above 10% in the last three months of this year
- The pound is expected to trade with negative bias amid strong dollar and pessimistic global market sentiments. Further, sterling may slip as BoE signalled that it is likely to move cautiously in coming months due to worries over sharp slowdown. Additionally, expectation of disappointing economic data from Britain will hurt pound. GBPINR (May) is expected to trade in a range of 94.50-95.00

Data	Country	Time	Actual	Expected	Previous	Impact
German Industrial Production m/m	Europe	11:30am	-	-1.30%	0.20%	Medium
Construction PMI	UK	2:00pm	-	58	59.1	Medium
Average Hourly Earnings m/m	US	6:00pm	-	0.40%	0.40%	High
Non-Farm Employment Change	US	6:00pm	-	390K	431K	High
Unemployment Rate	US	6:00pm	-	3.50%	3.60%	High



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