

May 10, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	May futures	Buy	77.60	77.90	77.45	1 day

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Rupee Outlook and Strategy

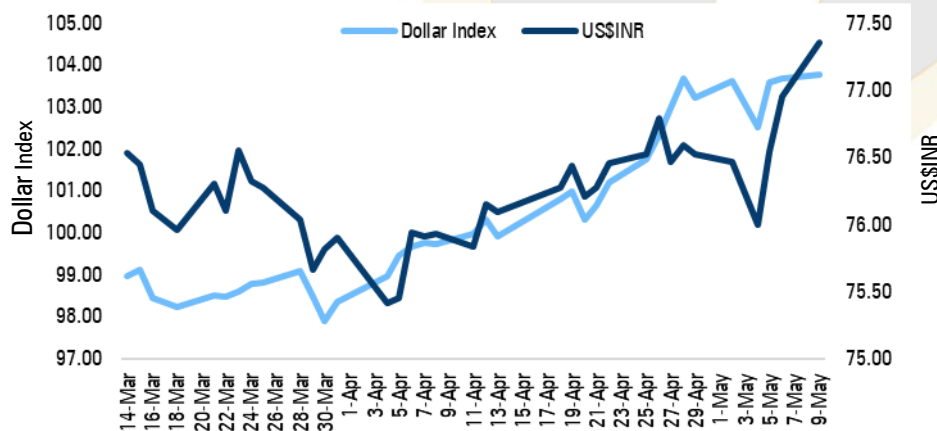
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th May)	77.67	0.76%	4348972	330343	4395126	-600818
EURINR (27th May)	81.90	0.31%	121559	-1704	142227	-82381
GBPINR (27th May)	95.86	0.51%	113255	-14805	208096	-56878

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th May-22)	77.00	77.33	77.52	77.85	78.04
US\$INR (28th Jun-22)	77.14	77.53	77.74	78.13	78.34
EURINR (27th May-22)	81.06	81.48	81.72	82.14	82.38
EURINR (28th Jun-22)	81.45	81.85	82.09	82.49	82.73
GBPINR (27th May-22)	94.67	95.26	95.60	96.19	96.52
GBPINR (28th Jun-22)	94.67	95.26	95.60	96.19	96.52
JPYINR (27th May-22)	58.86	59.08	59.20	59.42	59.54
JPYINR (28th Jun-22)	59.23	59.41	59.50	59.69	59.78

Dollar Index vs US\$INR



- The US dollar advanced amid risk aversion in global markets and hawkish statements from Fed officials. Market sentiments were hurt as investors fear that high inflation is threatening to eat into corporate profits and rein in consumer spending. Additionally, the outlook for the global economy is looking gloomy amid supply chain disruption, lockdown in China and Russia's war against Ukraine
- Rupee future maturing on May 27 depreciated by 0.76% amid strong dollar, sell-off in domestic markets and persistent FII outflows
- The rupee is expected to depreciate today amid risk aversion in the global markets and firm dollar. Market sentiments were hurt as supply disruption due to Covid-19 lockdown and war between Russia and Ukraine have heightened fears about how growth will hold up around the globe and on top of this major central banks are ending easy money era. Moreover, persistent FII outflows will hurt the rupee. US\$INR (May) is expected to trade in a range of 77.45-77.90

US\$INR Strategy

US\$INR May futures contract (NSE)

Buy USDINR in the range of 77.58-77.60

Target: 77.90

Stoploss: 77.45

Support: 77.45/77.35

Resistance: 77.80/77.90

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	May futures	Sell	81.65	81.35	81.80	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	103.77	103.68	0.09%
US\$INR	77.36	76.95	0.53%
EURUSD	1.0563	1.0548	0.14%
EURINR	81.72	81.20	0.64%
GBPUSD	1.2336	1.2346	-0.08%
GBPINR	95.44	95.04	0.42%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.465	7.451	0.014
US	3.034	3.142	-0.108
UK	1.958	1.998	-0.04
Japan	0.251	0.245	0.006
Germany	1.091	1.135	-0.044

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	4950.13	9568.18	-4618.05
Debt	519.24	2174.99	-1655.75
Net			-6273.8

- The Euro appreciated by 0.14% yesterday as hawkish comments from ECB officials continued to support the Euro. However, sharp upside was capped on strong dollar and disappointing economic data from Euro Area. Additionally, risk aversion in the global markets added downside pressure to the single currency
- The Euro is expected to trade with a negative bias amid firm dollar and sell-off in global markets. Further, the Euro may slip on expectation of disappointing economic data from euro area and divergence in monetary policy. Further, investors fear that proposed sanctions on Russian oil by EU will hurt the European economy severely, which is already struggling with high inflation and slow economic growth. EURINR (May) is expected to trade in a range of 81.65-82.10
- The pound depreciated by 0.08% yesterday amid strong dollar and risk aversion in the global markets. Further, divergence in approach towards combating high inflation added downside pressure. Fed is ready to act aggressively by raising interest rates whereas, Bank of England signalled slowdown in its rate hiking cycle
- The pound is expected to trade with a negative bias amid firm dollar and sell-off in global markets. Additionally, disappointing economic data from UK will hurt pound. Investors are worried over stagflation. GBPINR (May) is expected to trade in a range of 95.60-96.20

Data	Country	Time	Actual	Expected	Previous	Impact
ZEW Economic Sentiment	Europe	2:30pm	-	-42	-43	Medium
German ZEW Economic Sentiment	Europe	2:30pm	-	-43	-41	Medium
FOMC Member Waller Speaks	US	10:30pm	-	-	-	Medium



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