

May 12, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	May futures	Sell	95.30	95.00	95.45	1 day

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Rupee Outlook and Strategy

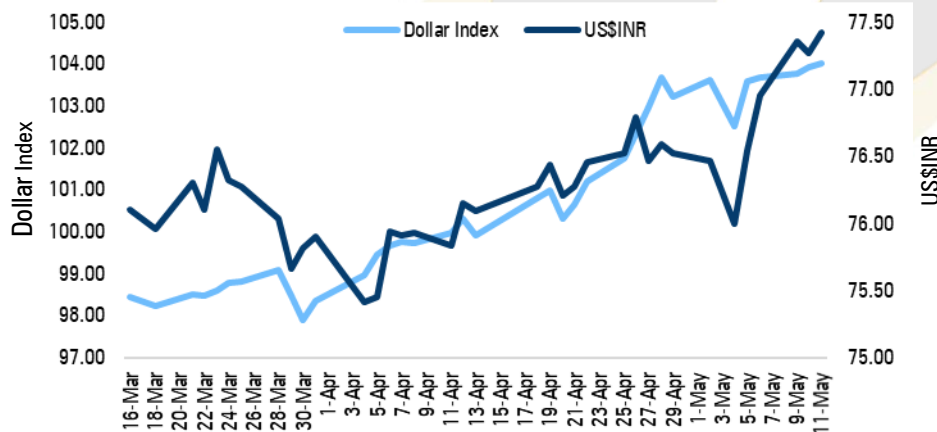
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th May)	77.41	-0.05%	4278375	-86645	2158019	-1249658
EURINR (27th May)	81.74	-0.10%	120134	880	105601	-37804
GBPINR (27th May)	95.55	-0.12%	117138	4056	163928	-1352

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th May-22)	77.22	77.32	77.38	77.47	77.54
US\$INR (28th Jun-22)	77.46	77.56	77.64	77.73	77.81
EURINR (27th May-22)	81.34	81.54	81.71	81.91	82.08
EURINR (28th Jun-22)	81.70	81.90	82.07	82.27	82.44
GBPINR (27th May-22)	95.08	95.31	95.57	95.81	96.07
GBPINR (28th Jun-22)	95.41	95.65	95.90	96.14	96.39
JPYINR (27th May-22)	59.24	59.48	59.61	59.85	59.98
JPYINR (28th Jun-22)	59.54	59.77	59.90	60.14	60.27

Dollar Index vs US\$INR



- US dollar rallied amid sell-off in US markets. Further, CPI data showed inflation eased a bit but unlikely to cool down quickly and derail Fed plan to tighten monetary policy aggressively. Inflation edged down to 8.3% in April from 8.5% annual rate in March but remained above the 8.1% expectation. Additionally, hawkish statements from Fed officials supported dollar
- Rupee future maturing on May 27 appreciated by 0.05% amid flat dollar. However, sharp gains were prevented on weak domestic markets and persistent FII outflows
- Rupee is expected to depreciate today amid risk aversion in the global markets and strong dollar. Further, rupee may slip on persistent FII outflows and surge in crude oil prices. Additionally, market participants will remain vigilant ahead of CPI data from country which is likely to show that inflation remained above RBI comfort zone for 4th consecutive month. US\$INR (May) is expected to trade in a range of 77.25-77.75

GBPINR Strategy

GBPINR May futures contract (NSE)

Sell GBPINR in the range of 95.30-95.32

Target: 95.00

Stoploss: 95.45

Support: 95.10/95.00

Resistance: 95.45/95.55

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	104.02	103.93	0.09%
US\$INR	77.42	77.27	0.19%
EURUSD	1.0512	1.0529	-0.16%
EURINR	81.39	81.31	0.10%
GBPUSD	1.2234	1.2307	-0.59%
GBPINR	94.72	95.05	-0.34%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.215	7.301	-0.086
US	2.889	2.989	-0.1
UK	1.827	1.848	-0.021
Japan	0.248	0.247	0.001
Germany	0.991	1.007	-0.016

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	6078.84	9554.91	-3476.07
Debt	131.91	1688.74	-1556.83
Net			-5032.9

- Euro depreciated by 0.16% yesterday amid strong dollar and worries over stagflation. However, sharp downside was cushioned on hawkish statement from ECB policymakers. ECB president Lagarde signaled that central bank could raise its interest rates as soon as July
- Euro is expected to trade with negative bias amid strong dollar and pessimistic global market sentiments. Market sentiments are hurt on worries that supply chain disruption due to ongoing war in Ukraine and strict lock down in China is adding fuel to already elevated inflation and hurting economic growth. Further, ECB is likely to end its bond buying program in third quarter and raise interest rates from its record lows but the path will be gradual, taking the edge off the aggressive rate rise bets. EURINR (May) is expected to trade in a range of 81.45-82.10
- Pound depreciated by 0.59% yesterday amid strong dollar and as Bank of England signalled slowdown in its interest rate hiking cycle. Further, series of disappointing economic data from Britain raised the concern over economic health of the country
- Pound is expected to trade with negative bias on firm dollar and risk aversion in the global markets. Additionally, disappointing economic data from Britain will continue to hurt sterling. GDP data is likely to show that economy expanded at slower pace in Q1 CY2022. GBPINR (May) is expected to trade in a range of 95.00-95.45

Data	Country	Time	Actual	Expected	Previous	Impact
Prelim GDP q/q	UK	11:30am	-	1.00%	1.30%	Medium
PPI m/m	US	6:00pm	-	0.50%	1.40%	High
Core PPI m/m	US	6:00pm	-	0.60%	1.00%	High
Unemployment Claims	US	6:00pm	-	190K	200K	Medium



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