

May 13, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	May futures	Sell	80.75	80.45	80.90	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

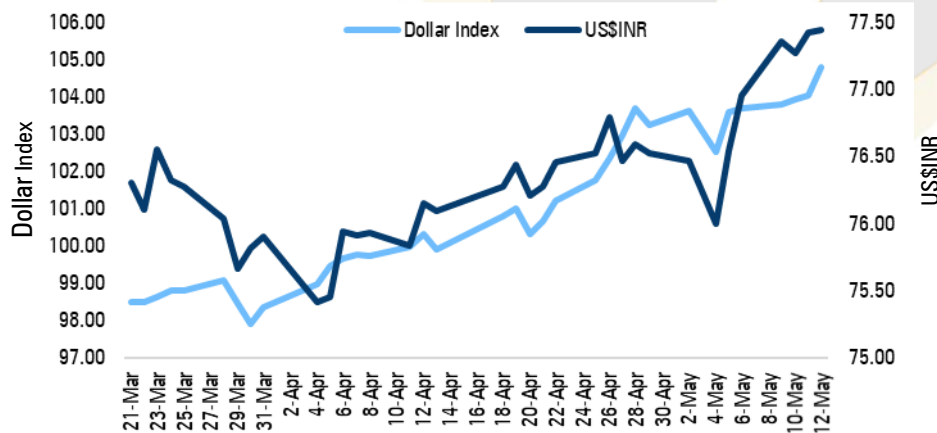
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th May)	77.54	0.16%	4698019	419644	4650998	2492979
EURINR (27th May)	80.96	-0.95%	120147	13	171162	65561
GBPINR (27th May)	94.70	-0.89%	126086	8948	214153	50225

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th May-22)	77.29	77.42	77.57	77.70	77.85
US\$INR (28th Jun-22)	77.32	77.56	77.76	78.00	78.20
EURINR (27th May-22)	80.26	80.61	81.23	81.58	82.19
EURINR (28th Jun-22)	80.64	80.98	81.58	81.93	82.52
GBPINR (27th May-22)	93.90	94.30	94.85	95.25	95.80
GBPINR (28th Jun-22)	94.46	94.74	95.07	95.35	95.67
JPYINR (27th May-22)	59.43	59.89	60.17	60.62	60.91
JPYINR (28th Jun-22)	59.81	60.22	60.48	60.90	61.16

## Dollar Index vs US\$INR



- US dollar continued with its upward trend on weak global market sentiments. Further, demand for dollar climbed on concern that major central banks action to combat high inflation would hurt global economic growth. Additionally, new applications for unemployment benefits rose by 1K to 203K last week but remained near historic lows in a sign of tight labour market
- Rupee future maturing on May 27 depreciated by 0.16% amid strong dollar, risk aversion in global markets and persistent FII outflows. Further, investors remained vigilant ahead of CPI data from country
- Rupee is expected to depreciate today amid pessimistic global market sentiments, strong dollar and disappointing economic data. CPI data showed inflation surged to 7.79% in April and remained above RBI comfort zone for 4<sup>th</sup> consecutive month. Market sentiments are hurt on fears that central banks across globe will tighten their monetary policy aggressively and hamper economic growth. US\$INR (May) is expected to trade in a range of 77.25-77.75

## EURINR Strategy

### EURINR May futures contract (NSE)

Sell EURINR in the range of 80.73-80.75

Target: 80.45

Stoploss: 80.90

Support: 80.55/80.45

Resistance: 80.90/81.00

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	May futures	Sell	95.30	95.00	95.45	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
DXY	104.80	104.02	0.75%
US\$INR	77.44	77.42	0.03%
EURUSD	1.0379	1.0512	-1.27%
EURINR	80.38	81.39	-1.24%
GBPUSD	1.2204	1.2234	-0.25%
GBPINR	94.51	94.72	-0.22%

## Global Bonds

Country	Close	Pvs. Close	Change
India	7.244	7.215	0.029
US	2.855	2.889	-0.034
UK	1.665	1.827	-0.162
Japan	0.251	0.248	0.003
Germany	0.845	0.991	-0.146

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	6025.89	9029.47	-3003.58
Debt	515.09	491.88	23.21
Net			-2980.37

- Euro depreciated by 1.27% yesterday amid strong dollar and risk aversion in the global markets. Further, euro slipped on concern about lingering stagflation environment of slow growth and high prices. On top of its Russia unveiled a set of sanctions on energy companies operating on the continent threatening supply
- Euro is expected to trade with negative bias on the back of strong dollar, expectation of disappointing economic data from euro area and gloomy global market sentiments. Market sentiments are hurt on worries over repercussion of ongoing war in Ukraine and strict lock down in China. Further, market fears that major central banks efforts to bring inflation under control will hamper economic growth. Additionally, ECB is likely to raise interest rates gradually not at the same pace as US Fed. EURINR (May) is expected to trade in a range of 80.45-80.90
- Pound depreciated by 0.25% yesterday amid strong dollar and as disappointing economic data from Britain pointed to a weakening economy. UK GDP data showed economy unexpectedly shrank in March. GDP fell 0.1% in March due to supply chain problems. Meanwhile, Deputy Governor Dave Ramsden said BOE will have to push borrowing cost higher to control rising inflation but its 4 rate hike are having impact on economy
- Pound is expected to continue with its negative bias on strong dollar and weak global market sentiments. Additionally, disappointing economic data from Britain will continue to hurt sterling as investor fear that economy is losing its momentum and will force BOE to go very slow on monetary tightening. GBPINR (May) is expected to trade in a range of 94.40-95.10

Data	Country	Time	Actual	Expected	Previous	Impact
Industrial Production m/m	Europe	2:30pm	-	-2.10%	0.70%	Medium
Prelim UoM Consumer Sentiment	US	7:30pm	-	64.1	65.2	High
FOMC Member Mester Speaks	US	9:30pm	-	-	-	Medium



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Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto: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](mailto:research@icicidirect.com)

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