

May 19, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	May futures	Sell	96.00	95.50	96.32	1 day

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Rupee Outlook and Strategy

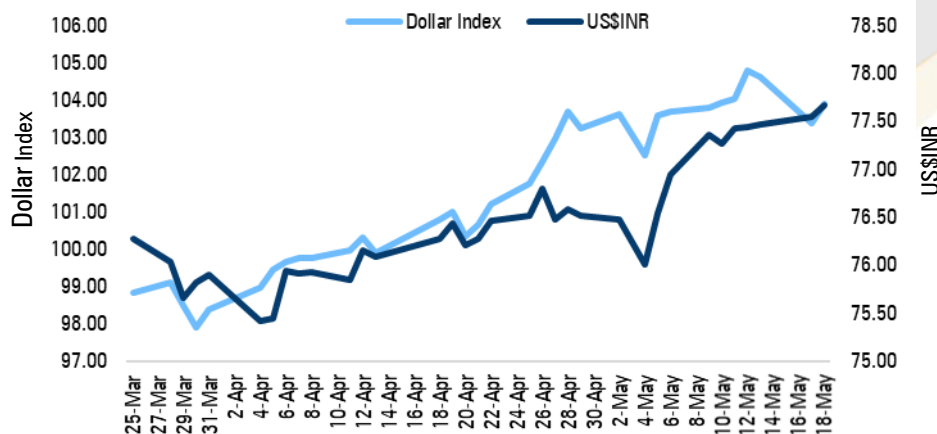
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th May)	77.67	0.16%	4605896	-68376	1678073.79	-541020
EURINR (27th May)	81.73	0.08%	101882	-18951	98095	-5857
GBPINR (27th May)	96.35	-0.33%	96276	-27106	191855	56230

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th May-22)	77.41	77.48	77.60	77.67	77.79
US\$INR (28th Jun-22)	77.35	77.63	77.78	78.06	78.21
EURINR (27th May-22)	81.37	81.55	81.70	81.89	82.04
EURINR (28th Jun-22)	81.69	81.85	82.01	82.17	82.33
GBPINR (27th May-22)	94.82	95.74	97.02	97.95	99.23
GBPINR (28th Jun-22)	96.03	96.52	96.89	97.38	97.75
JPYINR (27th May-22)	59.93	59.97	60.10	60.15	60.28
JPYINR (28th Jun-22)	60.20	60.24	60.37	60.41	60.54

Dollar Index vs US\$INR



- The US dollar edged higher on Wednesday amid concerns about the outlook for global economic growth and hawkish statement from Federal Reserve Chair Jerome Powell. The Fed chair pledged that the US central bank would ratchet up interest rates as high as needed, including taking rates above neutral to kill a surge in inflation. However, sharp upside was capped on lower US treasury yields
- US\$INR futures maturing on May 27 ended higher on Wednesday amid strong dollar and unabated foreign fund outflows
- The rupee is expected to depreciate today amid strong dollar and persistent foreign fund outflows. US\$INR (May) broke a strong resistance level at ₹ 77.65 and ended at ₹ 77.68. We may see the pair approaching ₹ 78.00 soon. We expect the rupee to depreciate further and trade in the range of ₹ 77.50 to ₹ 77.80

GBPINR Strategy

GBPINR May futures contract (NSE)

Sell GBPINR in the range of 96.00 to 96.05

Target: 95.50

Support: 95.74 - 95.50

Stoploss: 96.32

Resistance: 96.30 - 96.65

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	May futures	Sell	77.50	77.25	77.66	Stop Loss 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	103.90	103.29	0.59%
US\$INR	77.67	77.54	0.17%
EURUSD	1.0461	1.0548	-0.82%
EURINR	81.73	81.66	0.09%
GBPUSD	1.2337	1.2469	-1.06%
GBPINR	96.35	96.67	-0.33%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.350	7.360	-0.01
US	2.880	2.990	-0.11
UK	1.870	1.890	-0.02
Japan	0.249	0.245	0.004
Germany	1.022	1.050	-0.028

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	6301.04	7963.46	-1662.42
Debt	242.74	154.88	87.86
Net			-1574.56

- The Euro depreciated yesterday amid strong dollar and weak global risk sentiments. Further, the Euro was affected by the economic data that showed consumer price inflation reached 7.4% in April, which was lower than expected
- The Euro is expected to trade with a negative bias today amid strong dollar and weakness in global risk sentiments. Further, initial optimism was deflated on concerns that the eurozone will not be able follow Fed in fighting soaring inflation and avoid recession scenario. EURINR is trading near its strong resistance level at ₹ 81.98. We expect EURINR to trade with a negative bias in the range of ₹ 81.90 to ₹ 81.50
- The pound dipped yesterday amid strong dollar and weak economic data. Further, weak global risk sentiments and expectations for a more aggressive policy tightening by the US central bank pressurised pound. Britain consumer price inflation data that showed inflation reached to 9%, given that the UK economic activity had slowed sharply during the first quarter
- The pound is expected to trade with a negative bias today amid strong dollar and expectations over slower economic growth. GBPINR is trading below its strong resistance level of ₹ 96.00. We expect GBPINR to trade with a negative bias today in the range of ₹ 96.40 to ₹ 95.40

Data	Country	Time	Actual	Expected	Previous	Impact
ECB Publishes Account of Monetary Policy Meeting	Europe	5:00pm	-	-	-	High
Initial Jobless Claims	US	6:00pm	-	200K	203K	High
Philadelphia Fed Manufacturing Index (May)	US	6:00pm	-	16	17.6	High
Existing Home Sales (Apr)	US	7:30pm	-	5.65M	5.77M	High



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