

May 23, 2022

Daily Currency Outlook

Daily Recommendation

| Currency Pair | Contract | Action | Price | Target | Stoploss | Duration |
|---------------|--------------|--------|-------|--------|----------|----------|
| USDINR | June futures | Buy | 77.85 | 78.00 | 77.76 | 1 day |

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Rupee Outlook and Strategy

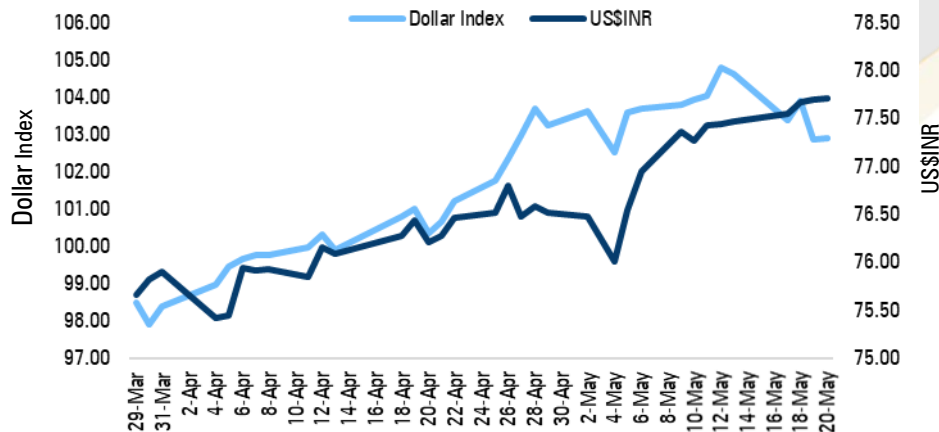
Domestic Currencies

| Futures | Close | % Change | Open Interest | Change in OI | Volume | Change in Vol |
|-------------------|-------|----------|---------------|--------------|------------|---------------|
| USDINR (27th May) | 77.71 | 0.02% | 4847782 | 203717 | 1778155.87 | -324511 |
| EURINR (27th May) | 82.22 | 0.52% | 88680 | -6032 | 129319 | 21494 |
| GBPINR (27th May) | 96.92 | 0.47% | 85222 | 881 | 180537 | -19051 |

Pivot levels

| Futures | S2 | S1 | Pivot | R1 | R2 |
|-----------------------|-------|-------|-------|-------|-------|
| US\$INR (27th May-22) | 77.44 | 77.57 | 77.66 | 77.79 | 77.87 |
| US\$INR (28th Jun-22) | 77.67 | 77.80 | 77.89 | 78.02 | 78.10 |
| EURINR (27th May-22) | 81.68 | 81.95 | 82.11 | 82.38 | 82.53 |
| EURINR (28th Jun-22) | 82.03 | 82.29 | 82.45 | 82.71 | 82.87 |
| GBPINR (27th May-22) | 96.25 | 96.59 | 96.78 | 97.11 | 97.30 |
| GBPINR (28th Jun-22) | 96.59 | 96.91 | 97.09 | 97.41 | 97.59 |
| JPYINR (27th May-22) | 60.37 | 60.56 | 60.71 | 60.90 | 61.05 |
| JPYINR (28th Jun-22) | 60.64 | 60.83 | 60.98 | 61.17 | 61.32 |

Dollar Index vs US\$INR



- The US dollar appreciated by 0.15% on Friday amid a rout across markets due to fears of the impact of soaring inflation. Further, upside in the dollar was capped by declining US treasury yields. Additionally, the outlook for the global economy was looking gloomy amid supply chain disruption, lockdown in China and Russia's war against Ukraine
- US\$INR futures maturing on May 27 ended higher on Friday amid strong dollar and rise in crude oil prices
- The rupee is expected to depreciate today amid risk aversion in the global markets and firm dollar. However, rising crude oil prices may continue to pressurise the rupee further. US\$INR futures opened lower with a gap down on Friday but continued to move upward by showing a strong bullish mood. US\$INR is likely to trade in an upward trend and break its all time high at ₹ 77.92 to touch the level of 78.00

US\$INR Strategy

USDINR June futures contract (NSE)

Buy USDINR in the range of to 77.85 to 77.87

Target: 78.00

Support: 77.68 - 77.66

Stoploss: 77.76

Resistance: 77.90 - 77.92

Follow-up

| Currency Pair | Contract | Action | Price | Target | Stoploss | Comment |
|---------------|--------------|--------|-------|--------|----------|--------------|
| USDINR | June futures | Sell | 77.76 | 77.62 | 77.86 | Exit in loss |

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 | 102.89 | 102.86 | 0.03% |
| USSINR | 77.71 | 77.69 | 0.03% |
| EURUSD | 1.0560 | 1.0581 | -0.20% |
| EURINR | 82.22 | 81.79 | 0.53% |
| GBPUSD | 1.2491 | 1.2466 | 0.20% |
| GBPINR | 96.92 | 96.46 | 0.48% |

Global Bonds

| Country | Close | Pvs. Close | Change |
|---------|-------|------------|--------|
| India | 7.359 | 7.320 | 0.039 |
| US | 2.785 | 2.830 | -0.045 |
| UK | 1.871 | 1.870 | 0.001 |
| Japan | 0.242 | 0.238 | 0.004 |
| Germany | 0.945 | 0.967 | -0.022 |

Daily Trends in FPI Investment

| Segment | Purchase | Sell | Net Rs Crore |
|---------|----------|---------|--------------|
| Equity | 6509.27 | 10352.1 | -3842.83 |
| Debt | 533.41 | 365.61 | 167.8 |
| Net | | | -3675.03 |

- The Euro depreciated by 0.21% on Friday amid firm dollar. However, further downside was cushioned on better-than-expected economic data. Annual producer inflation in Germany jumped to 33.5% in April, breaking a fresh record high for a fifth straight month and higher than 30.9% in March and market forecasts of 31.5%. The figures reflect the effects of the war in Ukraine for the first time, with energy prices remaining the biggest upward contributor
- The Euro is expected to trade with a negative bias today amid strong dollar. EURUS\$ reversed back from its strong resistance level at 1.0594 by showing a strong sign of reversal. It is possible for EURUS\$ to trade in the downward trend for today. EURINR is likely to trade in the range of ₹ 82.65 to ₹ 82.20
- The pound edged higher by 0.20% on Friday amid strong UK economic data. However, expectations of a potential interest rate hike from the Bank of England (BoE) pushed the pound higher. An above forecast rise in the country's retail sales level may also have boosted the sterling on Friday
- The pound is expected to trade with a positive bias today amid expectations of a potential interest rate hike from the Bank of England. GBPINR is likely to break its 20 day moving average at ₹ 97.31. Then it may continue its upward move towards 50 day moving average. We expect GBPINR to trade with a positive bias today in the range of ₹ 97.00 to ₹ 97.60

Economic Calendar

| Data | Country | Time | Actual | Expected | Previous | Impact |
|---|---------|--------|--------|----------|----------|--------|
| German Ifo Business Climate Index (May) | Europe | 1:30pm | - | 91.4 | 91.8 | Medium |
| BoE Gov Bailey Speaks | UK | 9:45pm | - | - | - | High |



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