

May 24, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	June futures	Sell	77.62	77.46	77.72	1 day

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Rupee Outlook and Strategy

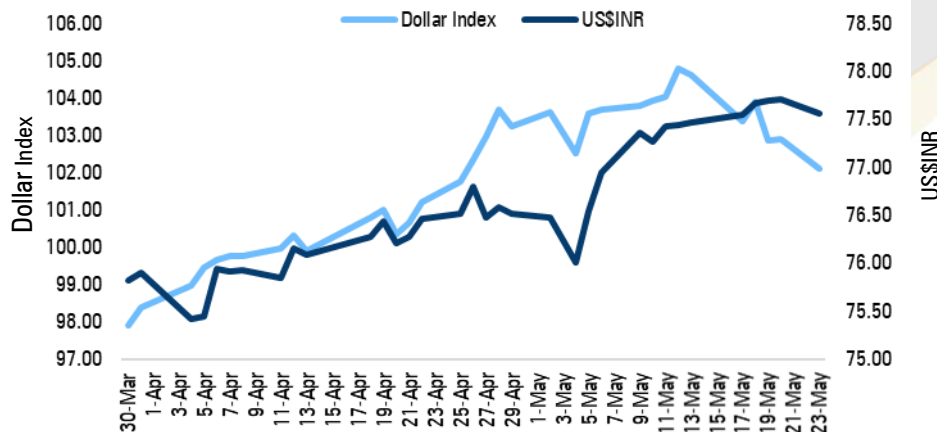
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th May)	77.56	-0.19%	8093154	3245372	2830727	1052571
EURINR (27th May)	82.80	0.70%	159865	71185	250560	121241
GBPINR (27th May)	97.64	0.73%	130232	45010	264541	84004

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th May-22)	77.41	77.48	77.63	77.70	77.85
US\$INR (28th Jun-22)	77.65	77.72	77.86	77.93	78.07
EURINR (27th May-22)	81.98	82.39	82.65	83.06	83.32
EURINR (28th Jun-22)	82.31	82.73	82.99	83.41	83.67
GBPINR (27th May-22)	97.22	97.43	97.57	97.78	97.92
GBPINR (28th Jun-22)	97.47	97.70	97.86	98.09	98.25
JPYINR (27th May-22)	60.45	60.65	60.91	61.11	61.37
JPYINR (28th Jun-22)	60.78	60.95	61.16	61.33	61.54

Dollar Index vs US\$INR



- The US dollar slipped from its multiyear high amid profit taking. Further, investors turned hopeful that loosening lockdowns in China can help global growth. However, sharp downside was cushioned on surge in US treasury yields
- US\$INR futures maturing on May 27 ended lower on Monday amid weak dollar and decline in crude oil prices
- The rupee is expected to appreciate today amid retreat in dollar and expectations of further interest rate hike by RBI in June. The RBI governor hinted at another rate hike in June to arrest rising inflation. US\$INR futures traded lower yesterday and closed near their key support levels of 77.62. Move below these levels may accelerate its downward trend towards 77.45 in short term

US\$INR Strategy

USDINR June futures contract (NSE)

Sell USDINR in the range of to 77.62 to 77.60

Target: 77.46

Support: 77.50 - 77.45

Stoploss: 77.72

Resistance: 77.70 - 77.80

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	June futures	Buy	77.85	78.00	77.76	Not Initiated

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	102.09	102.89	-0.78%
USSINR	77.56	77.71	-0.19%
EURUSD	1.0688	1.0560	1.21%
EURINR	82.80	82.22	0.71%
GBPUSD	1.2587	1.2491	0.77%
GBPINR	97.64	96.92	0.74%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.386	7.359	0.027
US	2.855	2.785	0.07
UK	1.970	1.871	0.099
Japan	0.242	0.242	0
Germany	1.013	0.945	0.068

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	11207.37	9751.6	1455.77
Debt	141.21	54.97	86.24
Net			1542.01

- The Euro appreciated by 1.14% yesterday amid weak dollar and expectations of interest rate hike by ECB. The ECB President said policymakers would likely lift interest rates out of negative territory by September. Further, German economic data on business climate index helped euro to appreciate. Business climate index rose to 93.0 points in May from a revised figure of 91.9 points in April
- The Euro is expected to trade with a positive bias today amid weak dollar. EURINR trading near its key resistance level at 83.00 by showing a strong bullish mood. EURINR is expected to break its key resistance level today and trade in the range of ₹ 82.90 to ₹ 83.30
- The pound edged higher by 0.62% yesterday amid soft dollar and surge in UK 10 year bond yields. Further, sharp upside was capped on expectations of disappointing services PMI data which is to be published on Tuesday
- The pound is expected to trade with a positive bias today amid weak dollar. GBPINR is likely to trade towards its 50 DMA at ₹ 98.50 today and trade in the range of ₹ 97.80 to ₹ 98.50

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
German Manufacturing PMI (May)	Europe	1:00pm	-	54	54.6	High
Manufacturing PMI	UK	2:00pm	-	-	55.8	High
New Home Sales (Apr)	US	7:30pm	-	750K	763K	High
Fed Chair Powell Speaks	US	9:50pm	-	-	-	High
ECB President Lagarde Speaks	Europe	11:30pm	-	-	-	High



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