

May 25, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	May futures	Sell	97.20	96.90	97.35	1 day

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Rupee Outlook and Strategy

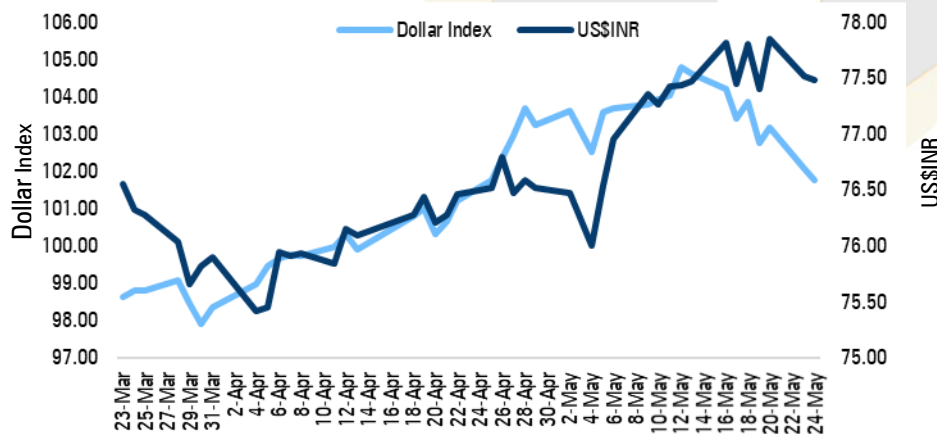
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th May)	77.61	0.05%	4366821	-288366	2404563	537937
EURINR (27th May)	83.10	0.33%	73637	-11638	210250	58807
GBPINR (27th May)	97.03	-0.65%	58956	-10147	219223	36977

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th May-22)	77.47	77.54	77.62	77.69	77.78
US\$INR (28th Jun-22)	77.68	77.76	77.85	77.92	78.01
EURINR (27th May-22)	82.41	82.76	83.07	83.42	83.73
EURINR (28th Jun-22)	82.79	83.12	83.43	83.76	84.07
GBPINR (27th May-22)	96.34	96.69	97.25	97.60	98.17
GBPINR (28th Jun-22)	96.66	97.00	97.56	97.90	98.46
JPYINR (27th May-22)	60.48	60.68	60.92	61.12	61.36
JPYINR (28th Jun-22)	60.73	60.95	61.18	61.40	61.64

Dollar Index vs US\$INR



- The US dollar declined 0.33% yesterday amid easing of US treasury yields and dovish statement from Atlanta Fed President Bostic, who backed the idea of a Fed pause later this year. Additionally, disappointing economic data from the US further weakened greenback. US business activity slowed in May as higher prices cooled demand for services while renewed supply disruption hampered production at factories

- Rupee future maturing on May 27 depreciated marginally by 0.05% amid sell-off in domestic markets and persistent FII outflows

- The rupee is expected to depreciate today on weak global market sentiments, consistent FII outflows and elevated crude oil prices. Market sentiments were hurt on concerns over slowing economic growth and surging inflation across globe. Additionally, traders will remain vigilant ahead of FOMC meeting minutes and major central banks policymakers statements. US\$INR (May) is expected to trade in a range of 77.45-77.75

GBPINR Strategy

GBPINR May futures contract (NSE)

Sell GBPINR in the range of 97.18-97.20

Target: 96.90

Stoploss: 97.35

Support: 97.00/96.90

Resistance: 97.35/97.45

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	June futures	Sell	77.62	77.46	77.72	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	101.76	102.10	-0.33%
US\$INR	77.48	77.52	-0.05%
EURUSD	1.0733	1.0689	0.41%
EURINR	83.15	82.85	0.36%
GBPUSD	1.2541	1.2588	-0.37%
GBPINR	97.17	97.57	-0.41%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.359	7.386	-0.027
US	2.754	2.861	-0.107
UK	1.886	1.971	-0.085
Japan	0.232	0.240	-0.008
Germany	0.967	1.018	-0.051

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7232.4	8517.06	-1284.66
Debt	82.46	267.73	-185.27
Net			-1469.93

- The Euro appreciated by 0.41% yesterday amid weakness in dollar and hawkish statement from ECB President Christine Lagarde. She said eurozone interest rates will likely be in the positive territory by the end of third quarter. Her statement signalled an increase of at least 50 basis points and fuelled speculation among traders of bigger hikes in coming months to fight high inflation
- The Euro is expected to continue its positive bias amid ease in dollar and as ECB President chose not to rule out a 50 bps rate hike in July meeting. However, sharp upside may be capped as business survey showed that growth in global economies slowed as high inflation and rising interest rates dented demand. Additionally, market participants will keep an eye on economic data from Euro Area and US FOMC meeting minutes to get the detailed record of most recent meeting. EURINR (May) is expected to trade in a range of 82.80-83.40
- The pound depreciated by 0.37% yesterday amid risk aversion in the global markets and disappointing economic data from Britain. Data showed sharp slowdown in business activity fuelling concerns over recession. Composite Purchasing Managers Index fell to 51.8 in May from 57.6 in April lowest since February last year
- The pound is expected to trade with a negative bias amid pessimistic global market sentiments and fears of recession. Market sentiments were hurt as business activity at services in US, eurozone and UK grew more slowly due to rising prices and supply chain disruption hampered production at factories in major global economies. Investors are worried that further rise in borrowing cost will hamper growth. A series of disappointing economic data signals that UK economy is losing its momentum. GBPINR (May) is expected to trade in a range of 96.90-97.35

Data	Country	Time	Actual	Expected	Previous	Impact
German GfK Consumer Climate	Europe	11:30am	-	-25.6	-26.5	Medium
ECB President Lagarde Speaks	Europe	1:30pm	-	-	-	High
ECB Financial Stability Review	Europe	Tentative	-	-	-	Medium
Core Durable Goods Orders m/m	US	6:00pm	-	0.50%	1.40%	Medium
Durable Goods Orders m/m	US	6:00pm	-	0.60%	1.10%	Medium
Crude Oil Inventories	US	8:00pm	-	(2.2M)	(3.4M)	Medium
FOMC Meeting Minutes	US	11:30pm	-	-	-	High



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