

May 20, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	June futures	Sell	77.76	77.62	77.86	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Thirushankar C R
thirushankar.cr@icicisecurities.com

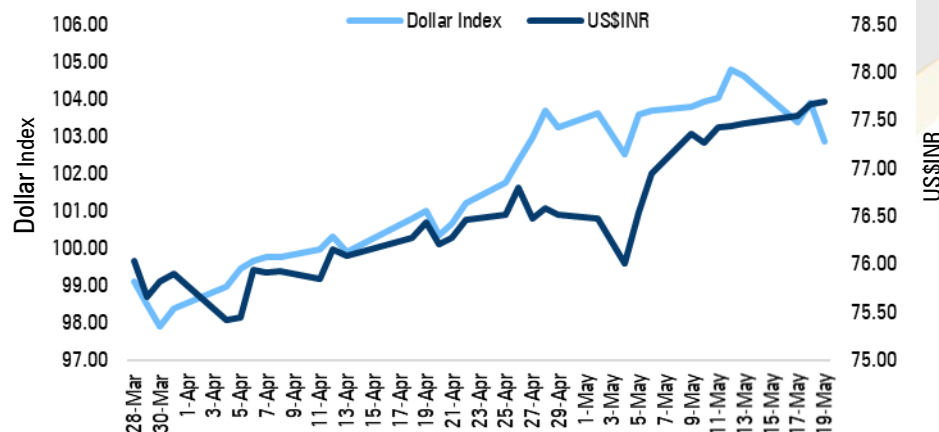
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th May)	77.69	0.02%	4644065	38169	2102667.11	424593
EURINR (27th May)	81.79	0.07%	94712	-7170	107826	9731
GBPINR (27th May)	96.46	0.11%	84341	-11935	199588	7733

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th May-22)	77.57	77.63	77.72	77.77	77.87
US\$INR (28th Jun-22)	77.80	77.85	77.94	77.99	78.08
EURINR (27th May-22)	81.19	81.47	81.68	81.96	82.17
EURINR (28th Jun-22)	81.54	81.81	82.02	82.28	82.49
GBPINR (27th May-22)	95.63	95.99	96.31	96.67	96.98
GBPINR (28th Jun-22)	95.97	96.32	96.62	96.97	97.28
JPYINR (27th May-22)	59.80	59.99	60.48	60.68	61.17
JPYINR (28th Jun-22)	60.07	60.26	60.75	60.94	61.43

Dollar Index vs US\$INR



- The US dollar depreciated on Thursday amid negative performance of US treasury yields and weak economic growth. Further, the dollar was pressurised by weak initial jobless claims data and existing home sales data. US initial jobless claims increased 21,000 to a seasonally adjusted 218,000 for the week ended May 14 and US existing home sales data dropped to the lowest level in nearly two years in April as house prices jumped to a record high
- US\$INR futures maturing on May 27 ended higher yesterday amid negative trend in domestic equities and persistent foreign fund outflows
- The rupee is expected to appreciate today amid retreat in US dollar. However, sharp gains may be prevented by unabated foreign fund outflows. US\$INR (May) broke a strong support level at ₹ 77.74 and is expected to trade below its 100 day moving average level. We expect US\$INR to trade in the range of ₹ 77.76 to ₹ 77.60

US\$INR Strategy

USDINR June futures contract (NSE)

Sell USDINR in the range of ₹ 77.76 to ₹ 77.78

Target: 77.62

Stoploss: 77.86

Support: 77.66 - 77.62

Resistance: 77.83 - 77.86

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	May futures	Sell	96.00	95.50	96.32	Stoploss 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	102.86	103.90	-1.00%
US\$INR	77.69	77.67	0.03%
EURUSD	1.0581	1.0461	1.15%
EURINR	81.79	81.73	0.07%
GBPUSD	1.2466	1.2337	1.05%
GBPINR	96.46	96.35	0.11%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.320	7.350	-0.03
US	2.830	2.880	-0.05
UK	1.870	1.872	-0.002
Japan	0.238	0.249	-0.011
Germany	0.967	1.022	-0.055

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	8893.77	9794.46	-900.69
Debt	362.57	299.53	63.04
Net			-837.65

- The Euro rose on Thursday amid pullback in dollar. Further, release of the account of the European Central Bank's April meeting showed concern over inflation had tipped dovish members of the central bank into supporting a quarter percentage point rate hike as soon as July
- The Euro is expected to trade with a positive bias today amid weakness in dollar. EURINR broke its key resistance level on Wednesday and traded above its 100 day moving average on Thursday, a strong sign that EURINR will continue its upward trend. We expect EURINR to trade with a positive bias today and trade in the range of ₹ 81.52 to ₹ 82.10
- The pound edged higher yesterday amid weakness in dollar. Further, expectations that the Bank of England would have to further increase interest rates helped pound edge higher
- The pound is expected to trade with a positive bias today amid retreat in US dollar. GBPINR from last two week's is trading in the range of ₹ 94.25 to ₹ 96.80, which can be considered as a consolidation range but it is expected to break this range soon. GBPINR is likely to trade above its 100 day moving average at ₹ 96.48. We expect GBPINR to trade with a positive bias in the range of ₹ 96.40 to ₹ 96.80

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Retail Sales (MoM) (Apr)	UK	11:30am	-	-0.20%	-1.40%	High
German PPI (MoM) (Apr)	Europe	11:30am	-	1.40%	4.90%	Medium



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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