

June 14, 2022

Daily Currency Outlook

Daily Recommendation

| Currency Pair | Contract | Action | Price | Target | Stoploss | Duration |
|---------------|--------------|--------|-------|--------|----------|----------|
| USDINR | June futures | Buy | 78.15 | 78.40 | 78.00 | 1 day |

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Rupee Outlook and Strategy

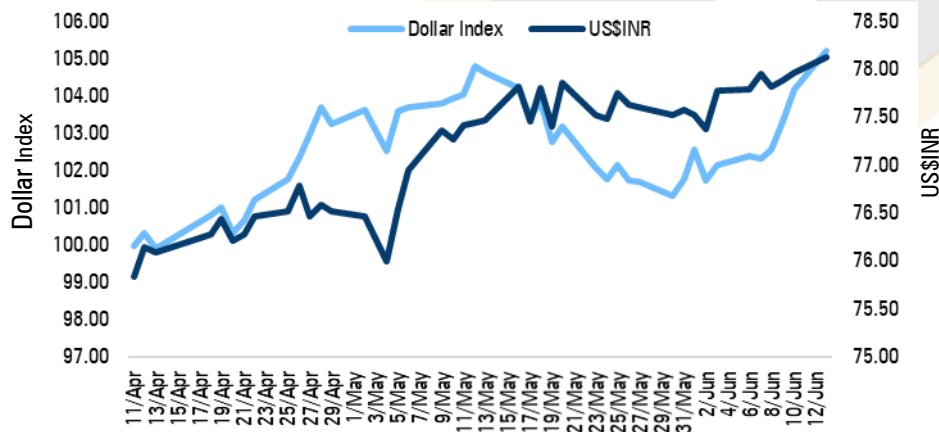
Domestic Currencies

| Futures | Close | % Change | Open Interest | Change in OI | Volume | Change in Vol |
|--------------------|-------|----------|---------------|--------------|---------|---------------|
| USDINR (28th June) | 78.12 | 0.19% | 5298689 | -101906 | 3711531 | 1578648 |
| EURINR (28th June) | 81.84 | -0.98% | 97012 | 934 | 169557 | -95352 |
| GBPINR (28th June) | 95.14 | -1.97% | 101663 | 13922 | 301744 | 39484 |

Pivot levels

| Futures | S2 | S1 | Pivot | R1 | R2 |
|-----------------------|-------|-------|-------|-------|-------|
| US\$INR (28th Jun-22) | 77.92 | 78.02 | 78.21 | 78.31 | 78.50 |
| US\$INR (27th Jul-22) | 78.13 | 78.24 | 78.42 | 78.53 | 78.71 |
| EURINR (28th Jun-22) | 81.36 | 81.60 | 82.05 | 82.30 | 82.75 |
| EURINR (27th Jul-22) | 81.79 | 82.00 | 82.37 | 82.58 | 82.95 |
| GBPINR (28th Jun-22) | 94.31 | 94.73 | 95.56 | 95.98 | 96.82 |
| GBPINR (27th Jul-22) | 94.72 | 95.12 | 95.91 | 96.32 | 97.11 |
| JPYINR (28th Jun-22) | 57.85 | 58.03 | 58.20 | 58.38 | 58.54 |
| JPYINR (27th Jul-22) | 58.14 | 58.33 | 58.48 | 58.67 | 58.81 |

Dollar Index vs US\$INR



- The dollar gained 0.63% on Monday supported by fears of a global economic slowdown and bets on steep interest rate hikes by the US Federal Reserve. Further, the dollar was supported by rising US treasury bond yields
- US\$INR futures maturing on June 28 edged higher on Monday amid strong dollar and weak domestic indices
- The rupee is expected to depreciate today amid persistent foreign funds outflows. Further, the rupee may be under pressure as higher than expected US inflation for May raised concerns of more aggressive interest rate hikes by the Federal Reserve
- US\$INR broke a key resistance level at 77.95 to touch all time high at 78.39. US\$INR is likely to continue its upward trend today and trade in the range of 78.00 to 78.40

US\$INR Strategy

USDINR June futures contract (NSE)

Buy USDINR in the range of 78.15 - 78.17

Target: 78.40

Support: 78.00 - 77.85

Stoploss: 78.00

Resistance: 78.40 - 78.50

Follow-up

| Currency Pair | Contract | Action | Price | Target | Stoploss | Comment |
|---------------|--------------|--------|-------|--------|----------|---------------|
| EURINR | June futures | Sell | 82.70 | 82.45 | 82.85 | 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 | 105.21 | 104.18 | 0.99% |
| US\$INR | 78.12 | 77.97 | 0.19% |
| EURUSD | 1.0406 | 1.0517 | -1.06% |
| EURINR | 81.84 | 82.65 | -0.98% |
| GBPUSD | 1.2131 | 1.2318 | -1.52% |
| GBPINR | 95.14 | 97.02 | -1.94% |

Global Bonds

| Country | Close | Pvs. Close | Change |
|---------|-------|------------|--------|
| India | 7.604 | 7.519 | 0.085 |
| US | 3.373 | 3.159 | 0.214 |
| UK | 2.524 | 2.430 | 0.094 |
| Japan | 0.249 | 0.258 | -0.009 |
| Germany | 1.630 | 1.501 | 0.129 |

Daily Trends in FPI Investment

| Segment | Purchase | Sell | Net Rs Crore |
|---------|----------|---------|--------------|
| Equity | 4381.92 | 7563.46 | -3181.54 |
| Debt | 690.92 | 2371.36 | -1680.44 |
| Net | | | -4861.98 |

- The Euro depreciated by 1.00% on Monday amid strong dollar. However, further downside was prevented as European Central Bank survey showed, the eurozone will avoid a recession this year and growth will accelerate noticeably after bottoming out in the second quarter
- The Euro is expected to trade with a negative bias today amid strong dollar. However, investors will remain vigilant ahead of German CPI data. EURUSD deepened losses at the start of the week, breaking below its key support level 1.0480. EURUSD is likely to touch its key support level at 1.0370. EURINR is expected to trade in the range of 82.00 to 81.50
- The pound depreciated by 1.50% on Monday as recession fears grow after the UK economy shrinks. The British economy shrank 0.3% MoM in April following a 0.1% contraction in March and missing market expectations of a 0.1% expansion. Further, manufacturing output in the UK fell 1.0% from a month earlier in April, following a 0.2% decline in the previous month and compared to a 0.2% growth forecast
- The pound is expected to trade with a negative bias today on the back of strong dollar and weak economic growth. Further, investors will remain vigilant ahead of UK key economic data like unemployment rate and claimant count change. GBPUSD broke a key support level at 1.2200 and is likely to continue its downtrend towards another key support level at 1.1940. We expect GBPINR to trade in the range of 95.25 to 94.80

Economic Calendar

| Data | Country | Time | Actual | Expected | Previous | Impact |
|--------------------------------------|---------|---------|--------|----------|----------|--------|
| German CPI (MoM) (May) | Europe | 11:30am | - | 0.00% | 0.80% | Medium |
| Claimant Count Change (May) | UK | 11:30am | - | -49.4K | -56.9K | High |
| Unemployment Rate (Apr) | UK | 11:30am | - | 3.60% | 3.70% | High |
| Average Earnings Index + Bonus (Apr) | UK | 11:30pm | - | 7.60% | 7.00% | High |
| Industrial Production (MoM) (Apr) | Europe | 2:30pm | - | -2.00% | -1.80% | Medium |
| German ZEW Economic Sentiment (Jun) | Europe | 2:30pm | - | -27.5 | -34.3 | High |
| PPI (MoM) (May) | US | 6:00pm | - | 0.80% | 0.50% | High |



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