

June 16, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	June futures	Buy	94.90	95.40	94.60	1 day

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Rupee Outlook and Strategy

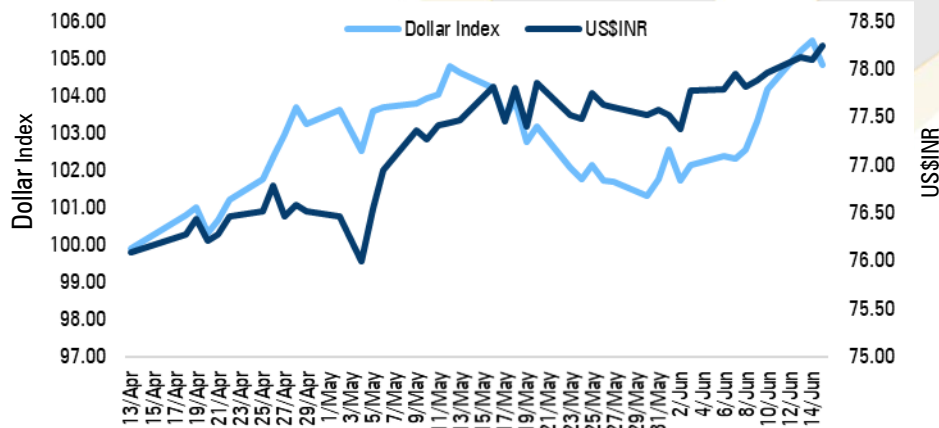
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th June)	78.24	0.17%	5451723	-92	2033086	-46222
EURINR (28th June)	82.14	0.50%	95466	-1028	272667	72705
GBPINR (28th June)	94.90	0.38%	105657	-11236	345472	15159

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Jun-22)	77.87	78.06	78.19	78.37	78.50
US\$INR (27th Jul-22)	78.16	78.30	78.41	78.56	78.67
EURINR (28th Jun-22)	81.39	81.77	81.98	82.36	82.57
EURINR (27th Jul-22)	81.74	82.11	82.33	82.70	82.92
GBPINR (28th Jun-22)	93.34	94.12	94.53	95.31	95.73
GBPINR (27th Jul-22)	93.71	94.47	94.85	95.62	96.00
JPYINR (28th Jun-22)	57.75	58.02	58.20	58.46	58.64
JPYINR (27th Jul-22)	58.02	58.27	58.45	58.70	58.89

Dollar Index vs US\$INR



- The dollar slipped by 0.60% on Wednesday after the Federal Reserve raised interest rates by 75 basis points in a historic move to fight inflation and projected a slowing economy and rising unemployment in the months to come.
- Further, dollar was pressurized by weak retail sales data. Retail sales in the US unexpectedly fell 0.3% MoM in May, the first decline so far this year and compared to market forecasts of a 0.2% rise. It follows a downwardly revised 0.7% increase in April, as high inflation, gasoline prices and borrowing costs hurt spending on non-essential goods. Moreover, pull back in US treasury bond yields weighted dollar
- The rupee is expected to depreciate today amid persistent foreign funds outflows. Further, investors will remain vigilant ahead of Initial Jobless Claims and Fed manufacturing Index data. USDINR is expected to trade in the range of 78.15 to 78.40

GBPINR Strategy

GBPINR June futures contract (NSE)

Buy GBPINR in the range of 94.90 - 94.92

Target: 95.40

Stoploss: 94.60

Support: 94.60 - 94.45

Resistance: 95.40 - 95.60

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	June futures	Sell	94.50	94.10	94.75	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	104.84	105.47	-0.60%
US\$INR	78.24	78.10	0.18%
EURUSD	1.0440	1.0415	0.24%
EURINR	82.14	81.73	0.50%
GBPUSD	1.2175	1.1995	1.50%
GBPINR	94.90	94.54	0.38%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.592	7.581	0.011
US	3.291	3.475	-0.184
UK	2.488	2.592	-0.104
Japan	0.251	0.259	-0.008
Germany	1.643	1.771	-0.128

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	4422.93	8735.79	-4312.86
Debt	410.79	509.65	-98.86
Net			-4411.72

- The euro appreciated by 0.24% on Wednesday amid weakness in dollar and strong economic data. Industrial production in the Euro Area increased 0.4% MoM in April, rebounding from a downwardly revised 1.4% drop in March. Increases were seen in production of energy 5.4%, intermediate goods 0.7%, non-durable consumer goods 0.4% and durable consumer goods 0.2%. However, further upside was capped by fall in German government bond yields
- The Euro is expected to trade with a positive bias today amid weakness in dollar. However, investors will remain vigilant ahead of Italian CPI data. EUR/USD rebounded from its intermediate support level of 1.0370 and touched key resistance level of 1.0500. It is likely to break 1.0500 level to continue its upward trend. EURINR is expected to trade in the range of 81.90 to 82.40
- The pound appreciated by 1.50% on Wednesday amid pull back in dollar and expectation on potential interest rate hike by BOE. However, further upside was capped by pull back in UK 10 years bond yields.
- The pound is expected to trade with a positive bias today on the back of weak dollar. Further, Investors will closely watch BOE interest rate decision today, as it is expected that BOE may raise interest rate again. GBPUSD rebounded from its key support level at 1.1995 and It is likely to break the hurdle of 1.2200 to continue its upward move. We expect GBPINR to trade in the range of 94.70 to 95.40

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Italian CPI (MoM) (May)	Europe	1:30pm	-	0.90%	0.90%	Medium
BoE Interest Rate Decision (Jun)	UK	4:30pm	-	1.25%	1.00%	High
Initial Jobless Claims	US	6:00pm	-	215K	229K	High
Philadelphia Fed Manufacturing Index	US	6:00pm	-	5.5	2.6	High
Building Permits (May)	US	6:00pm	-	1.785M	1.823M	High



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