

June 22, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	June futures	Sell	78.20	77.90	78.40	1 day

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Rupee Outlook and Strategy

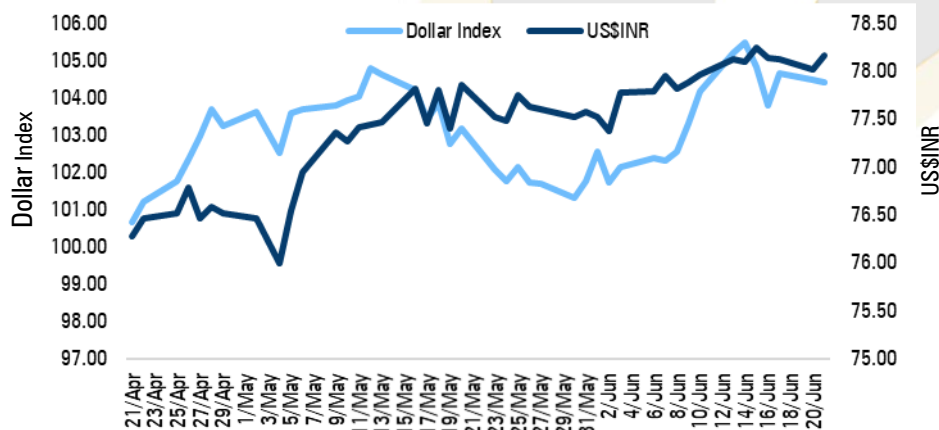
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th June)	78.16	0.18%	5266596	-41275	1526465	146629
EURINR (28th June)	82.56	0.44%	85444	-4769	218107	38647
GBPINR (28th June)	95.85	0.17%	63437	-4663	259301	-26942

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Jun-22)	77.87	78.02	78.10	78.24	78.32
US\$INR (27th Jul-22)	78.15	78.25	78.30	78.40	78.45
EURINR (28th Jun-22)	81.97	82.26	82.49	82.78	83.01
EURINR (27th Jul-22)	82.25	82.55	82.79	83.10	83.34
GBPINR (28th Jun-22)	95.36	95.60	95.93	96.18	96.51
GBPINR (27th Jul-22)	95.67	95.90	96.22	96.45	96.77
JPYINR (28th Jun-22)	57.29	57.42	57.68	57.81	58.07
JPYINR (27th Jul-22)	57.56	57.69	57.94	58.07	58.31

Dollar Index vs US\$INR



- The dollar depreciated by 0.06% on Tuesday amid rise in risk appetite in the domestic markets. Further, dollar was pressurized by weak home sales data. Existing home sales in the US declined by 3.4% to a seasonally adjusted annual rate of 5.41 million in May, the lowest since June of 2020 and broadly in line with estimates. Sales went down for a fourth consecutive month as rising mortgage rates and decades high inflation eat into household income
- US\$INR futures maturing on June 28 edged higher by 0.18% on Tuesday amid persistent foreign fund outflows
- The rupee is expected to appreciate today amid weakness in dollar. However, investors will remain vigilant ahead of RBI MPC meeting minutes and Fed Chair Powell testimony. Moreover, jump in crude oil prices may prevent further gains. US\$INR is expected to break the levels of 78.00 to trade downwards towards 77.90 level

US\$INR Strategy

USDINR June futures contract (NSE)

Sell USDINR in the range of 78.20 - 78.22

Target: 77.90

Support: 77.90 - 77.80

Stoploss: 78.40

Resistance: 78.40 - 78.50

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	June futures	Buy	95.70	96.30	95.30	Exit in profit

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	104.42	104.48	-0.06%
USSINR	78.16	78.02	0.18%
EURUSD	1.0530	1.0510	0.19%
EURINR	82.56	82.20	0.44%
GBPUSD	1.2275	1.2246	0.24%
GBPINR	95.85	95.69	0.17%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.482	7.427	0.055
US	3.281	3.265	0.016
UK	2.654	2.606	0.048
Japan	0.238	0.232	0.006
Germany	1.767	1.752	0.015

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	5567.07	5225.25	341.82
Debt	75.22	504.14	-428.92
Net			-87.1

- The euro rose by 0.19% on Tuesday drawing support from the European Central Bank's plans to raise interest rates to contain inflation. ECB Chief Economist Philip Lane said the ECB will raise interest rates by 25 basis points at its July meeting, but the size of its September hike is still to be decided, suggesting a larger 50 basis point hike could be on the cards
- The Euro is expected to trade with a positive bias today amid weak dollar. Further, euro may be supported by rising German bond yields. However, investors will closely watch European Central Bank Non-monetary Policy Meeting. EUR/USD is expected to surpass the hurdle of 1.0600 to continue its upward trend towards the level of 1.0640. EURINR is likely to trade in the range of 82.40 to 82.90
- The pound appreciated by 0.24% on Tuesday amid weak dollar and hawkish comments from policy makers. Chief economist Huw Pill said on Tuesday, the Bank of England's monetary policy must focus on its main goal of controlling inflation, rather than trying too hard to stabilize the exchange rate or economic activity. However, sharp upside was capped by weak CBI industrial trends orders data. The CBI order book balance fell to 18 in June from 26 in the previous month and below market expectations of 22
- The pound is expected to trade with a positive bias today amid weakness in dollar. Further, investors will remain vigilant ahead of UK CPI YoY data, as it is expected to rise from 9.0% to 9.10%. GBPUSD is expected to surpass the hurdle of 1.2350 to continue its upward trend towards 1.2450 level. GBPINR is likely to trade in the range of 95.70 to 96.40

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
PPI Input (MoM) (May)	UK	11:30am	-	1.10%	1.10%	Medium
CPI (YoY) (May)	UK	11:30am	-	9.10%	9.00%	High
ECB Non-monetary Policy Meeting	Europe	12:30pm	-	-	-	Medium
RBI MPC Meeting Minutes	India	5:00pm	-	-	-	Medium
Fed Chair Powell Testifies	US	7:00pm	-	-	-	High



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