

June 23, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	June futures	Buy	82.40	82.70	82.20	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Thirushankar C R
thirushankar.cr@icicisecurities.com

Rupee Outlook and Strategy

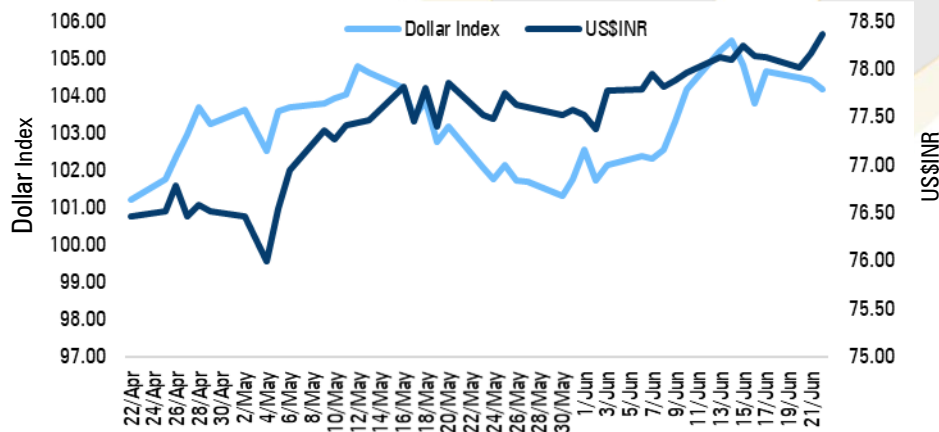
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th June)	78.36	0.26%	5311708	45112	2520751	994286
EURINR (28th June)	82.53	-0.04%	72333	-13111	270083	51976
GBPINR (28th June)	95.98	0.14%	57802	-5635	343396	84095

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Jun-22)	77.98	78.17	78.29	78.48	78.61
US\$INR (27th Jul-22)	78.22	78.37	78.47	78.62	78.72
EURINR (28th Jun-22)	81.79	82.16	82.37	82.74	82.95
EURINR (27th Jul-22)	82.12	82.47	82.68	83.03	83.23
GBPINR (28th Jun-22)	94.84	95.41	95.81	96.38	96.78
GBPINR (27th Jul-22)	95.12	95.65	96.04	96.58	96.97
JPYINR (28th Jun-22)	57.01	57.29	57.52	57.80	58.03
JPYINR (27th Jul-22)	57.43	57.62	57.79	57.98	58.16

Dollar Index vs US\$INR



- The dollar fell 0.23% on Wednesday as US treasury bond yields fell. Further, the dollar was pressurised by fears that the US economy could slide into recession. Federal Reserve Chair Jerome Powell said, higher rates are painful but are the means the US central bank has to slow inflation. Further he added, the Fed is not trying to engineer a recession to heel inflation but is fully committed to bringing prices under control even if doing so risks an economic downturn
- US\$INR futures maturing on June 28 gained 0.27% on Wednesday amid unabated foreign fund outflows and a weak Indian stock market
- The rupee is expected to appreciate today amid weakness in dollar. Further, the rupee may be supported by falling crude oil prices. However, investors will closely watch US initial jobless claims data as it is expected to fall from 229,000 to 227,000. US\$INR is expected to break the hurdle of 78.25 to move towards the level of 78.00

EURINR Strategy

EURINR June futures contract (NSE)

Buy EURINR in the range of 82.40 - 82.42

Target: 82.70

Stoploss: 82.20

Support: 82.20 - 82.00

Resistance: 82.70 - 82.90

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	June futures	Sell	78.20	77.90	78.40	Stop loss 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	104.18	104.42	-0.23%
USSINR	78.36	78.16	0.26%
EURUSD	1.0564	1.0530	0.32%
EURINR	82.53	82.56	-0.04%
GBPUSD	1.2260	1.2275	-0.12%
GBPINR	95.98	95.85	0.14%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.396	7.482	-0.086
US	3.162	3.281	-0.119
UK	2.488	2.654	-0.166
Japan	0.238	0.238	0
Germany	1.626	1.767	-0.141

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	5406.25	6583.48	-1177.23
Debt	510.5	260.39	250.11
Net			-927.12

- The Euro edged higher by 0.32% on Wednesday amid weak US dollar. Further, the Euro was supported by the statement of German finance minister Christian Lindner, as he urged the European Central Bank on Wednesday to take swift action to get inflation under control. However, sharp upside was capped by weak German bond yields
- The Euro is expected to trade with a positive bias today amid weakness in dollar. However, investors will remain vigilant ahead of Euro area services PMI data and manufacturing PMI data, as services PMI data is expected to fall from 56.1 to 55.5 and manufacturing PMI data is expected to fall from 54.6 to 53.9. EURUSD is expected to surpass the hurdle of 1.0620 to continue its upward trend towards the level of 1.0680. EURINR is likely to trade in the range of 82.20 to 82.70
- The pound depreciated by 0.12% on Wednesday after hot UK consumer inflation data raised new worries over an economic slowdown. Soaring food prices pushed consumer inflation to a new 40-year high of 9.1% in May, the highest rate in the Group of Seven countries and underlining the severity of the cost-of-living crunch in the world's fifth-largest economy. However, sharp downside was prevented, as UK Finance Minister Rishi Sunak said that they have all the tools they need to reduce inflation and added that he expects the Bank of England to act forcefully
- The pound is expected to trade with a positive bias today amid weak dollar. However, investors will closely watch UK services PMI and manufacturing PMI data. GBPUSD is expected to surpass the hurdle of 1.2330 to continue its upward trend towards 1.2360 level. GBPINR is likely to trade in the range of 95.50 to 96.50

Data	Country	Time	Actual	Expected	Previous	Impact
Services PMI (Jun)	Europe	1:30pm	-	55.5	56.1	High
Manufacturing PMI (Jun)	Europe	1:30pm	-	53.9	54.6	Medium
Manufacturing PMI (Jun)	UK	2:00pm	-	54.6	54.6	High
Services PMI (Jun)	UK	2:00pm	-	51.8	51.8	High
Initial Jobless Claims	US	6:00pm	-	227K	229K	High
Services PMI (Jun)	US	7:15pm	-	53.5	53.4	Medium
Manufacturing PMI (Jun)	US	7:15pm	-	56	57	Medium
Crude Oil Inventories	US	8:30pm	-	-1.433M	1.956M	High



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

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

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