

July 4, 2022

## Daily Currency Outlook

### Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	July Futures	Sell	95.30	94.80	95.60	1 day

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# Rupee Outlook and Strategy

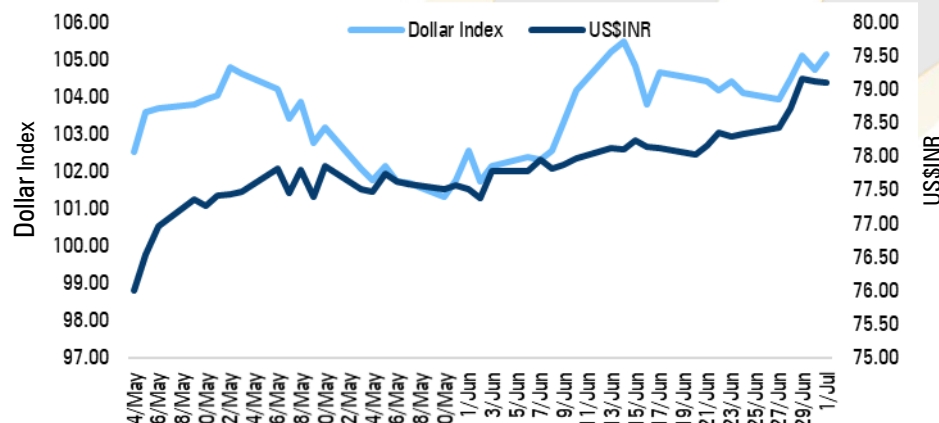
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th July)	79.10	-0.03%	4812289	18646	2675645	1054196
EURINR (27th July)	82.81	0.50%	98133	-10165	248005	-19703
GBPINR (27th July)	95.35	-0.51%	92730	6104	347865	101296

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th July-22)	78.81	78.95	79.11	79.26	79.42
US\$INR (26th Aug-22)	79.01	79.15	79.33	79.47	79.64
EURINR (27th July-22)	82.55	82.68	82.91	83.04	83.27
EURINR (26th Aug-22)	82.91	83.05	83.26	83.39	83.60
GBPINR (27th July-22)	94.78	95.09	95.66	95.97	96.54
GBPINR (26th Aug-22)	95.10	95.40	95.97	96.27	96.84
JPYINR (27th July-22)	58.17	58.38	58.64	58.85	59.11
JPYINR (26th Aug-22)	58.46	58.65	58.91	59.11	59.37

## Dollar Index vs US\$INR



- The dollar edged higher by 0.36% on Friday amid a pessimistic global economic outlook. High inflation and a rush by central banks to raise rates and stem the flow of cheap money has fuelled sell-offs across markets. However, sharp upside was prevented by weak manufacturing PMI data. The ISM manufacturing PMI fell to 53 in June from 56.1 in May, below market forecasts of 54.9 and pointing to the slowest growth in factory activity since June of 2020
- US\$INR futures maturing on July 27 dropped 0.05% on Friday amid rise in domestic indices
- The rupee is expected to depreciate today amid strong dollar and rise in crude oil prices. Further, concerns over weak domestic growth may hurt rupee. US\$INR is expected to trade in the range of 79.00 to 79.30

## GBPINR Strategy

### GBPINR July futures contract (NSE)

Sell GBPINR in the range of 95.30 - 95.32

Target: 94.80

Support: 94.80 - 94.60

Stoploss: 95.60

Resistance: 95.60 - 95.70

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	July Futures	Buy	82.80	83.30	82.50	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
DX	105.12	104.73	0.37%
US\$INR	79.10	79.12	-0.03%
EURUSD	1.0426	1.0483	-0.54%
EURINR	82.81	82.40	0.50%
GBPUSD	1.2093	1.2175	-0.67%
GBPINR	95.35	95.84	-0.51%

## Global Bonds

Country	Close	Pvs. Close	Change
India	7.424	7.450	-0.026
US	2.889	3.017	-0.128
UK	2.099	2.220	-0.121
Japan	0.217	0.226	-0.009
Germany	1.234	1.370	-0.136

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	10242.23	10503.02	-260.79
Debt	238.3	424.27	-185.97
Net			-446.76

- The Euro slipped by 0.54% on Friday amid strong dollar. Further, the Euro was pressurised by weak German manufacturing PMI data. The German Manufacturing PMI fell to 52 in June from 54.8 in May, pointing to the slowest growth in factory activity since July 2020. However, further downside was restricted by rise in euro area CPI YoY data. Annual inflation rate in the euro area increased to a new record high of 8.6% in June from 8.1% in May, compared to market expectations of 8.4%, strengthening the case for the ECB's first rate hike in 11 years in July
- The Euro is expected to trade with a negative bias today amid strong dollar. Further, investors will remain vigilant ahead of Spanish unemployment change and German trade balance data, as German trade balance is expected to drop from 3.5 bn to 2.7 bn. EURUSD is expected to surpass the hurdle of 1.0400 to continue its downward trend towards level of 1.0350. EURINR is likely to trade in the range of 83.00 to 82.40
- The pound depreciated by 0.68% on Friday amid strong dollar and renewed fears of a recession. Further, pound was pressurised by weak manufacturing PMI data. The UK manufacturing PMI fell to a two year low of 52.8 in June from 54.6 in May. Figures were revised lower from an initial estimate of 53.4. Output growth ground to a near standstill pace and new orders contracted for the first time in 17 months
- The pound is expected to trade with a negative bias today amid strong dollar and concerns over weak economic growth. GBPUSD is expected to break the hurdle of 1.2045 to continue its downward trend towards the level of 1.1980. GBPINR is likely to trade in the range of 95.60 to 94.80

# Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
German Trade Balance (May)	Europe	11:30 AM	-	2.7B	3.5B	Medium
Spanish Unemployment Change	Europe	12:30 PM	-	-	-99.5K	Medium
Spanish 10-Year Obligacion Auction	Europe	4:30 PM	-	-	2.05%	Medium



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