

July 5, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	July Futures	Sell	82.70	82.40	82.85	1 day

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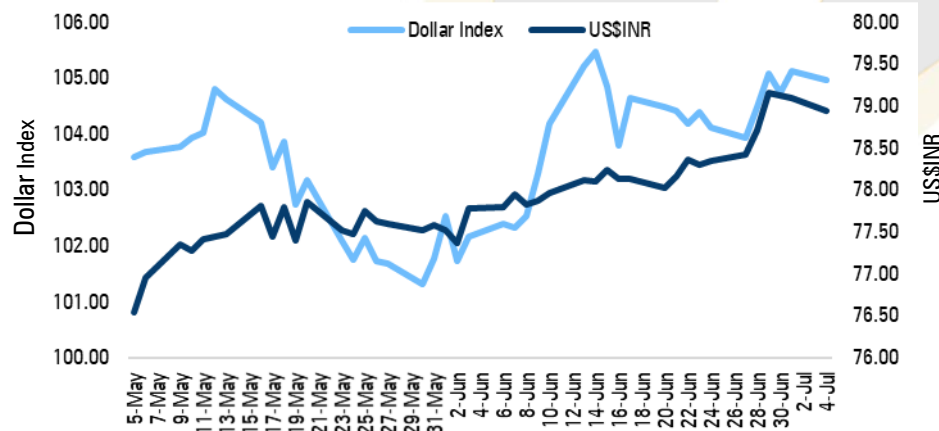
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th July)	79.10	-0.02%	4772692	-36550	1376277	-1299368
EURINR (27th July)	82.85	0.04%	99942	2916	163207	-84798
GBPINR (27th July)	96.16	0.85%	81933	-11163	263285	-84580

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th July-22)	78.74	78.92	79.20	79.38	79.66
US\$INR (26th Aug-22)	79.13	79.22	79.32	79.41	79.51
EURINR (27th July-22)	82.21	82.53	82.86	83.18	83.51
EURINR (26th Aug-22)	82.81	83.01	83.13	83.33	83.45
GBPINR (27th July-22)	95.28	95.71	95.94	96.37	96.60
GBPINR (26th Aug-22)	95.81	96.12	96.31	96.62	96.81
JPYINR (27th July-22)	58.22	58.39	58.59	58.76	58.96
JPYINR (26th Aug-22)	58.53	58.68	58.84	58.99	59.15

Dollar Index vs US\$INR



- The US dollar ended on a positive note yesterday as demand for safe haven increased on worries about slowing global economic growth while US holiday limited volatility
- Rupee future maturing on July 27 appreciated marginally by 0.02% yesterday amid a weak dollar and rise in risk appetite in global markets. Meanwhile, a surge in crude oil prices and persistent FII outflows prevented further gains
- The rupee is expected to appreciate today amid optimistic global market sentiments. Market sentiments improved on reports that US President Biden is expected to roll back some tariffs on Chinese imports in attempt to dampen elevated inflation. However, sharp gains may be prevented on elevated crude oil prices and consistent FII outflows. Additionally, investors fear that major central banks attempt to counter inflation by raising interest rates may lead economies into recession. US\$INR (July) is expected to trade in a range of 78.90-79.30

EURINR Strategy

EURINR July futures contract (NSE)

Sell EURINR in the range of 82.70-82.72

Target: 82.40

Support: 82.50/82.40

Stoploss: 82.85

Resistance: 82.85/82.95

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	July Futures	Sell	95.30	94.80	95.60	Stoploss 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	104.96	104.90	0.06%
US\$INR	78.94	78.92	0.03%
EURUSD	1.0432	1.0428	0.04%
EURINR	82.35	82.30	0.06%
GBPUSD	1.2115	1.2094	0.17%
GBPINR	95.62	95.45	0.18%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.374	7.424	-0.05
US	2.889	2.889	0
UK	2.211	2.099	0.112
Japan	0.218	0.217	0.001
Germany	1.337	1.226	0.111

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	4252.96	7110.35	-2857.39
Debt	79.13	185.28	-106.15
Net			-2963.54

- The Euro appreciated 0.04% yesterday amid a rise in risk appetite in global markets. Reports that the White House will announce an easing of some Chinese tariffs later this week helped to inject some optimism back into market. Further, elevated inflation made a strong case for ECB to raise interest rates in upcoming meeting. However, sharp upside was capped on disappointing economic data from Euro Area
- The Euro is expected to trade negative amid strong dollar and fears of global recession. Further, investors fear that eurozone economy has not fully recovered from pandemic and is facing threats from ongoing war between Russia and Ukraine. At such a fragile time rising borrowing cost to combat soaring inflation may have a severe effect on the economy. Additionally, market participants will take cues from economic data from euro area. EURINR (July) is expected to trade in a range of 82.40-82.85
- The pound appreciated by 0.17% yesterday on rise in risk appetite in the global markets. Further, the market focused on any signals that BoE could raise interest rates faster than anticipated. Market participants expect a bigger increase of 50 bps at the next meeting. However, sharp upside was capped on Brexit related risk in relation to a possible partial suspension of Northern Ireland protocol
- The pound is expected to trade with negative bias on strong dollar and Brexit related risk. Germany and Ireland told Britain there was no legal or political justification for PM Boris Johnson's plan to override parts of Brexit deal governing trade with Northern Ireland. Further, the sterling may slip on signs of a weakening economy. Investors will remain cautious ahead of BoE's financial stability report and FPC meeting minutes. GBPINR (July) is expected to trade in a range of 95.70-96.30

Data	Country	Time	Actual	Expected	Previous	Impact
French Industrial Production m/m	Europe	12:15 PM	-	0.10%	-0.10%	Medium
Final Services PMI	Europe	1:30 PM	-	52.8	52.8	Medium
Final Services PMI	UK	2:00 PM	-	53.4	53.4	Medium
BOE Gov Bailey Speaks	UK	3:30 PM	-	-	-	Medium
Factory Orders m/m	US	7:30 PM	-	0.50%	0.30%	Medium



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