

August 5, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	Aug Futures	Sell	96.50	96.00	96.75	1 day

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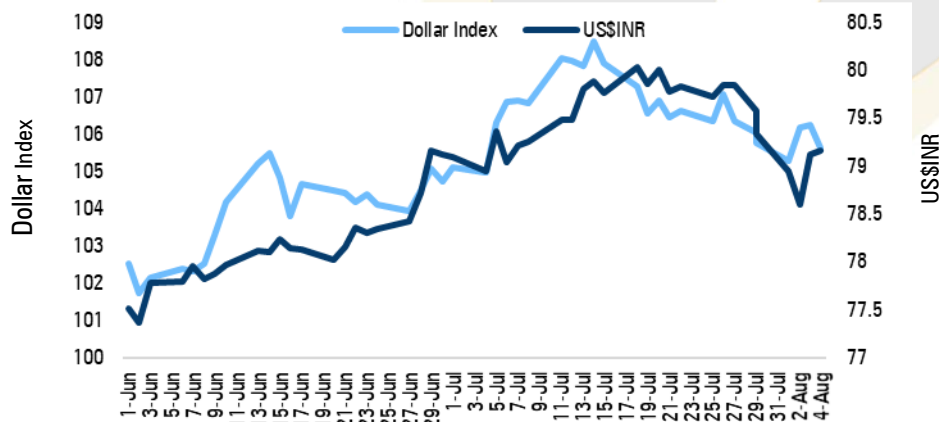
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Aug)	79.54	0.21%	5792908	2527011	3286708	236029
EURINR (26th Aug)	81.13	0.07%	108036	-11341	356733	11098
GBPINR (26th Aug)	96.57	-0.25%	97097	7438	552768	162339

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (26th Aug-22)	79.02	79.28	79.63	79.89	80.24
US\$INR (28th Sep-22)	79.13	79.44	79.83	80.14	80.52
EURINR (26th Aug-22)	80.12	80.63	81.11	81.62	82.10
EURINR (28th Sep-22)	80.90	81.21	81.60	81.91	82.31
GBPINR (26th Aug-22)	95.61	96.09	96.73	97.21	97.86
GBPINR (28th Sep-22)	95.98	96.45	97.08	97.55	98.18
JPYINR (26th Aug-22)	59.03	59.20	59.47	59.64	59.91
JPYINR (28th Sep-22)	59.32	59.49	59.75	59.92	60.18

Dollar Index vs US\$INR



- The US dollar slipped yesterday amid decline in US treasury yields and disappointing economic data. US jobless claims data showed number of people filling for unemployment benefits increased last week, signalling job market is also losing its steam. However, sharp downside was cushioned on hawkish statements from Fed officials. Cleveland Fed President Mester said the Fed should raise interest rates to above 4% to help bring inflation down
- Rupee future maturing on August 26 depreciated by 0.21% yesterday amid strong dollar, muted domestic markets and geopolitical uncertainty
- The rupee is expected to depreciate today amid disappointing macroeconomic data and concern over rising geopolitical tension over Taiwan. Meanwhile, market participants will remain vigilant ahead of RBI monetary policy meet, where central bank is likely to raise interest rate. US\$INR (August) is expected to trade in a range of 79.20-79.80

GBPINR Strategy

GBPINR Aug futures contract (NSE)

Sell GBPINR in the range of 96.48-96.50

Target: 96.00

Stoploss: 96.75

Support: 96.25/96.00

Resistance: 96.75/97.00

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
US\$INR	Aug Futures	Buy	79.20	79.50	79.05	Not Initiated

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	105.62	106.25	-0.59%
US\$INR	79.16	79.12	0.05%
EURUSD	1.0248	1.0157	0.90%
EURINR	81.12	80.36	0.95%
GBPUSD	1.2159	1.2139	0.16%
GBPINR	96.25	96.04	0.21%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.157	7.242	-0.085
US	2.694	2.706	-0.012
UK	1.887	1.938	-0.051
Japan	0.170	0.182	-0.012
Germany	0.803	0.868	-0.065

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	10000.77	6033.19	3967.58
Debt	58.39	19.01	39.38
Net			4006.96

- The Euro appreciated by 0.9% mainly on the back of weakness in dollar and rise in risk appetite in domestic markets. However, sharp upside was capped on disappointing economic data from euro area. German factory orders declined 0.4% in June 2022 compared to -0.2% in May 2022
- The Euro is expected to trade with a negative bias amid expectation of disappointing economic data from Germany. German industrial production is forecast to decline by 0.4% in June 2022 compared to 0.2% rise in May 2022. Further, the region faces energy crisis, investors fear that surging energy prices may push Europe into recession. EURINR (August) is expected to trade in a range of 80.90-81.70
- The pound appreciated by 0.16% yesterday mainly on the back of weakness in dollar and as Bank of England raised its benchmark rate by 50 bps to 1.75% in an attempt to curb inflation. However, sharp upside was capped as BoE warned that Britain will fall into recession that would last for five consecutive quarters. It also added that inflation would continue to rise well above its current four decade high and household income would fall sharply
- The pound is expected to trade with a negative bias on a series of disappointing economic data from UK. Further, the pound may slip on pessimistic outlook on economy. BoE warned that the UK economy will fall into recession starting in Q4 2022 and extend through next year. While inflation was now likely to peak at 13.3% in October. Market anticipates that BoE's recession warning may limit rate hikes in future. GBPINR (August) is expected to trade in a range of 96.00-96.75

Data	Country	Time	Actual	Expected	Previous	Impact
Interest rate decision	India	10:00am	-	5.25%	4.90%	High
German Industrial Production m/m	Europe	11:30am	-	-0.40%	0.20%	Medium
Average Hourly Earnings m/m	US	6:00pm	-	0.30%	0.30%	High
Non-Farm Employment Change	US	6:00pm	-	250K	372K	High
Unemployment Rate	US	6:00pm	-	3.60%	3.60%	High



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