

August 18, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	Aug Futures	Sell	96.10	95.80	96.30	1 day

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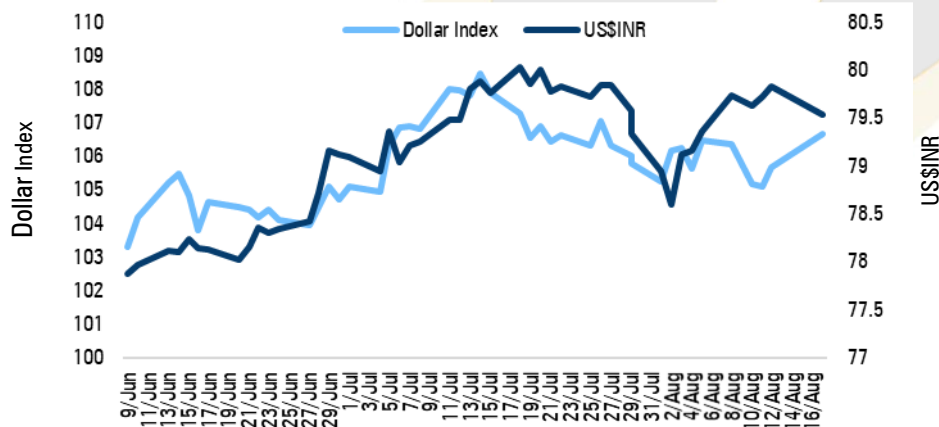
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Aug)	79.53	-0.38%	3217526	-161425	2599894	437665
EURINR (26th Aug)	80.91	-1.49%	111176	-31417	408018	180625
GBPINR (26th Aug)	96.16	-0.74%	88260	1761	354972	36324

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (26th Aug-22)	79.24	79.39	79.48	79.62	79.72
US\$INR (28th Sep-22)	79.48	79.61	79.70	79.84	79.93
EURINR (26th Aug-22)	80.15	80.53	81.13	81.51	82.10
EURINR (28th Sep-22)	80.59	80.95	81.50	81.85	82.40
GBPINR (26th Aug-22)	95.46	95.78	96.36	96.68	97.25
GBPINR (28th Sep-22)	96.15	96.29	96.55	96.69	96.94
JPYINR (26th Aug-22)	58.54	58.74	59.12	59.32	59.70
JPYINR (28th Sep-22)	58.83	59.01	59.35	59.52	59.86

## Dollar Index vs US\$INR



- The US dollar advanced by 0.18% on Wednesday after minutes from the Federal Reserve's July meeting showed Fed officials are concerned the US central bank could raise rates too far as part of its commitment to get inflation under control. However, sharp upside was restricted by weak retail sales data. Retail sales in the US unexpectedly dropped in July 2022, disappointing markets that expected a 0.1% increase as sales fell at gasoline stations and car dealers
- Rupee future maturing on August 26 appreciated on Wednesday amid continues foreign fund inflows
- The rupee is expected to depreciate today amid a rise in crude oil prices. Further, investors will keep an eye on macroeconomic data from the US to get a clear view on the US dollar index. US\$INR (August) is likely to trade in a range of 79.50-79.70

## GBPINR Strategy

### GBPINR Aug futures contract (NSE)

Sell GBPINR in the range of 96.10-96.12

Target: 95.80

Support: 95.80/95.60

Stoploss: 96.30

Resistance: 96.30/96.50

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	Aug Futures	Sell	96.80	96.50	97.00	Target Achieved

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	106.66	106.47	0.18%
USSINR	79.53	79.83	-0.38%
EURUSD	1.0178	1.0170	0.08%
EURINR	80.91	82.13	-1.49%
GBPUSD	1.2046	1.2092	-0.38%
GBPINR	96.16	96.88	-0.74%

## Global Bonds

Country	Close	Pvs. Close	Change
India	7.182	7.289	-0.107
US	2.900	2.806	0.094
UK	2.293	2.111	0.182
Japan	0.182	0.163	0.019
Germany	1.084	0.967	0.117

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	26139.64	11876.29	14263.35
Debt	750.89	927.26	-176.37
Net			14086.98

- The Euro appreciated marginally by 0.07% on Wednesday amid a sharp rise in Germany 10 years bond yields. However, further upside was prevented by weak macro economic data from the euro area. The eurozone quarterly economic growth was revised lower to 0.6% in the second quarter of 2022 from a preliminary estimate of 0.7% and following a 0.7% rise in Q1
- The Euro is expected to trade with a positive bias for the day amid expectations of strong inflation data from the euro area. Eurozone CPI is expected to rise from 8.60% to 8.90%. EURUSD is expected to surpass the hurdle of 1.0200 to continue its upward trend towards the level of 1.0230. EURINR (August) is likely to trade in a range of 80.80-81.30
- The pound declined 0.38% on Wednesday as data showed inflation climbed to its highest level in more than four decades in July, putting pressure on the Bank of England to bring down prices but increasing the risk of a sharper economic slowdown. However, sharp downside was restricted by a steep rise in UK 10 year's bond yields
- The pound is expected to trade with a negative bias for the day amid a strong US dollar. Further, the pound may be pressurised as BoE expects inflation to peak at 13.3% in the fourth quarter, mostly due to a surge in energy prices. The central bank also forecast a five-quarter-long recession, beginning at the end of this year. GBPUSD is likely to break the hurdle of 1.2000 to continue its downward trend towards the level of 1.1940. GBPINR (August) is likely to trade in a range of 95.80-96.30

# Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
CPI (YoY) (Jul)	Europe	2:30pm	-	8.90%	8.60%	High
Initial Jobless Claims	US	6:00pm	-	265K	262K	High
Philadelphia Fed Manufacturing Index (Aug)	US	6:00pm	-	-5	-12.3	High
Existing Home Sales (Jul)	US	7:30pm	-	4.89M	5.12M	High



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