November 16, 2022

Daily Currency Outlook

Daily Recommendation

Curreny Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	Nov Futures	Buy	96.18-96.20	96.50	96.00	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Rishikesh Lilawat
rishikesh.lilawat@icicisecurities.com

Rupee Outlook and Strategy

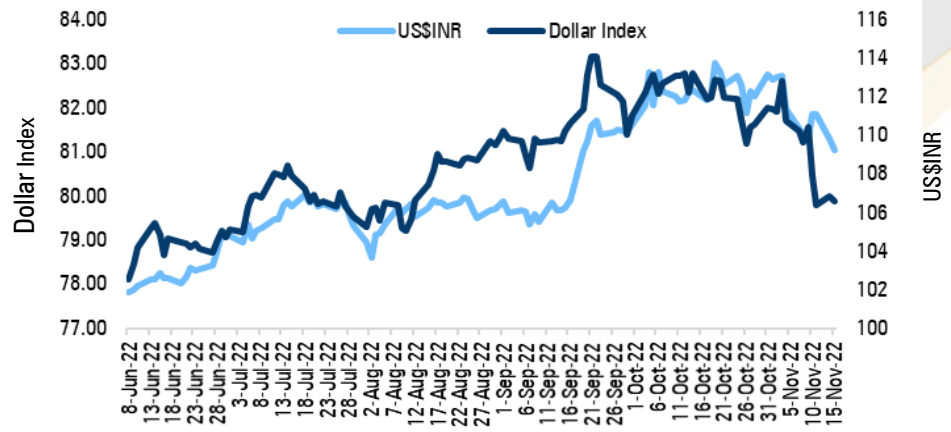
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Nov)	81.05	-0.34%	2967676	320817	4249620	-1315365
EURINR (28th Nov)	84.51	1.00%	164555	62643	276958	-63370
GBPINR (28th Nov)	96.15	0.53%	157261	48479	211159	-155234

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US$INR (28th Nov-22)	80.70	80.87	81.19	81.36	81.68
US$INR (28th Dec-22)	80.92	81.09	81.39	81.56	81.87
EURINR (28th Nov-22)	83.51	84.01	84.29	84.79	85.08
EURINR (28th Dec-22)	83.79	84.22	84.49	84.92	85.18
GBPINR (28th Nov-22)	95.26	95.70	95.96	96.41	96.66
GBPINR (28th Dec-22)	95.46	95.90	96.14	96.57	96.81
JPYINR (28th Nov-22)	57.65	57.97	58.17	58.48	58.68
JPYINR (28th Dec-22)	58.03	58.28	58.46	58.72	58.89

Dollar Index vs US$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar depreciated by almost 0.35% and touched 105.34 level yesterday, the lowest since August 12 after weaker than expected PPI data from the US reinforced expectations that the Federal Reserve could soon slow down the pace of its monetary policy tightening
- Rupee future maturing on November 28 appreciated by 0.34% on Tuesday amid weakness in the US dollar index and optimistic domestic market sentiments
- The rupee is expected to trade with a negative bias for the day on pessimistic global market sentiments and disappointing economic data from the country. India's October merchandise trade deficit widened to $26.91 billion from $25.71 billion in September. Additionally, the rupee may slip on fresh geopolitical tensions amid reports that Russian rockets had hit Poland and killed two people. US$INR (November) is expected to trade towards the level of 81.30

GBPINR Strategy

GBPINR Nov futures contract (NSE)	
Buy GBPINR in the range of 96.18-96.20	
Target: 96.50	Stoploss: 96.00
Support: 96.00/95.80	Resistance: 96.50/96.70

Follow-up

Curreny Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Nov Futures	Sell	83.68-83.70	83.20	84.00	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.

Euro and Pound Outlook

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	106.57	106.87	-0.28%
US$INR	81.05	81.32	-0.33%
EURUSD	1.0347	1.0327	0.19%
EURINR	84.51	83.68	0.99%
GBPUSD	1.1862	1.1756	0.90%
GBPINR	96.15	95.64	0.53%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.263	7.287	-0.024
US	3.773	3.857	-0.084
UK	3.291	3.354	-0.063
Japan	0.238	0.240	-0.002
Germany	2.073	2.150	-0.077

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	23284.22	20290.88	2993.34
Debt	240.56	157.29	83.27
Net			3076.61

- The Euro advanced by 0.20% on Tuesday amid a weak US dollar. Further, the Euro was supported by better-than-expected German ZEW economic sentiment data. The ZEW Indicator of Economic Sentiment for Germany rose sharply by 22.5 points to -36.7 in November 2022, the highest since June and above market expectations of -50.0. Meanwhile, sharp upside was capped on reports that Russian missiles had hit Poland and killed two people

- The Euro is expected to trade with a positive bias amid weakness in the US dollar and upbeat economic data from euro area. Further, investors will focus on ECB President Lagarde's speech to get more clarity on further ECB interest rate hikes. EURUSD is likely to break the key resistance level of 1.0370 to continue its upward trend towards the level of 1.0420. EURINR is expected to continue its upward trend towards the level of 85.00

- The pound edged higher by almost 1.00% and hit a three-month high on Tuesday amid a weak US dollar. Further, stronger than expected average weekly earnings data from Britain supported the sterling. Average weekly earnings including bonuses in the UK increased 6.0% YoY in the three months to September 2022. Meanwhile, further upside was restricted on a rise in UK unemployment rate from 3.5% to 3.6%

- The pound is expected to trade with a positive bias for the day amid weak US dollar. Further, investors will remain cautious ahead of the inflation data from the UK, which is expected to rise from 10.1% to 10.70%. A strong job market and soaring inflation may push BoE to hike rates more aggressively. Meanwhile, British Chancellor Jeremy Hunt will deliver autumn budget where he is set to raise taxes and cut spending. GBPUSD is likely to surpass the hurdle of 1.1900 to continue its up trend towards the level of 1.2000. GBPINR (November) is expected to trade towards the level of 96.50

Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
CPI (YoY) (Oct)	UK	12:30 PM	-	10.70%	10.10%	High
Italian CPI (MoM) (Oct)	Europe	2:30 PM	-	3.50%	3.50%	Medium
Retail Sales (MoM) (Oct)	US	7:00 PM	-	1.00%	0.00%	High
BoE Gov Bailey Speaks	UK	7:45 PM	-	-	-	High
Industrial Production (MoM) (Oct)	US	7:45 PM	-	0.20%	0.40%	Medium
ECB President Lagarde Speaks	Europe	8:30 PM	-	-	-	High

Source: Bloomberg, Reuters, ICICI Direct Research

Pankaj Pandey | **Head – Research** | **pankaj.pandey@icicisecurities.com**

ICICI Direct Research Desk,

ICICI Securities Limited,

1st Floor, Akruti Trade Centre,

Road No 7, MIDC,

Andheri (East)

Mumbai – 400 093

research@icicidirect.com

DISCLAIMER

ANALYST CERTIFICATION

I/We, Raj Deepak Singh BE, MBA (Finance), Saif Mukadam BSc, MMS (Finance), Rishikesh Lilawat BBA, MBA (Finance) Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.
ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.