

November 17, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Nov Futures	Buy	84.80-84.82	85.30	84.50	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

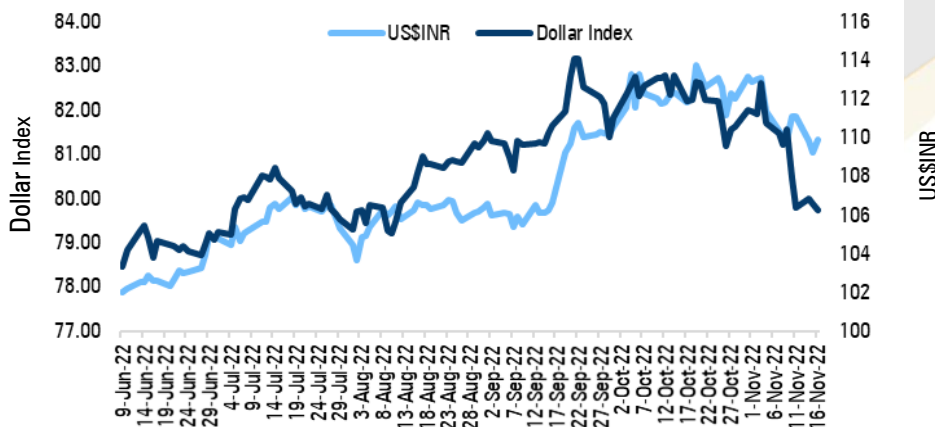
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Nov)	81.34	0.36%	3076273	108597	4149085	-100535
EURINR (28th Nov)	84.80	0.34%	137242	-27313	273148	-3810
GBPINR (28th Nov)	96.87	0.75%	149894	-7367	300009	88850

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Nov-22)	81.07	81.21	81.41	81.55	81.76
US\$INR (28th Dec-22)	81.26	81.39	81.60	81.73	81.94
EURINR (28th Nov-22)	84.06	84.46	84.67	85.06	85.28
EURINR (28th Dec-22)	83.93	84.49	84.80	85.36	85.67
GBPINR (28th Nov-22)	96.05	96.45	96.75	97.15	97.45
GBPINR (28th Dec-22)	95.81	96.40	96.79	97.38	97.78
JPYINR (28th Nov-22)	57.95	58.17	58.33	58.55	58.71
JPYINR (28th Dec-22)	58.28	58.48	58.61	58.81	58.93

## Dollar Index vs US\$INR



- The US dollar fell almost 0.30% yesterday amid a decline in US 10 year's treasury yields. Meanwhile, sharp downside was restricted on stronger-than-expected retail sales data from the US. Retail sales in the US surged 1.3% MoM in October 2022, the strongest increase in eight months, beating market forecasts of a 1% gain
- Rupee future maturing on November 28 depreciated by 0.35% on Wednesday amid disappointing macroeconomic data and muted domestic markets. However, a sharp fall was prevented on softening crude oil prices
- The rupee is expected to trade with a positive bias for the day amid weakness in the US dollar and decline in crude oil prices. Meanwhile, investors will focus on a series of key economic data from the US like Philadelphia Fed manufacturing index, which is expected to rise from -8.7 to -6.2. US\$INR (November) is likely to trade towards the level of 81.00

## EURINR Strategy

### EURINR Nov futures contract (NSE)

Buy EURINR in the range of 84.80-84.82

Target: 85.30

Stoploss: 84.50

Support: 84.50/84.20

Resistance: 85.30/85.50

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	Nov Futures	Buy	96.18-96.20	96.50	96.00	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.

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	106.28	106.57	-0.27%
US\$INR	81.34	81.05	0.35%
EURUSD	1.0393	1.0347	0.44%
EURINR	84.80	84.51	0.34%
GBPUSD	1.1912	1.1862	0.42%
GBPINR	96.87	96.15	0.75%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.274	7.263	0.011
US	3.692	3.773	-0.081
UK	3.152	3.291	-0.139
Japan	0.243	0.238	0.005
Germany	1.978	2.073	-0.095

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7548.7	7674.82	-126.12
Debt	930.47	492.12	438.35
Net			312.23

- The Euro edged higher by 0.44% on Wednesday amid a weak US dollar. Further the Euro was supported as policymaker Pablo Hernandez de Cos said the European Central Bank still has some way to go in tightening policy but should proceed with caution and take into account a greater chance of a recession
- The Euro is expected to trade with a positive bias amid weakness in the US dollar. Further, easing geopolitical concerns may support Euro. Poland and Nato said that Tuesday's explosion, which killed two in Poland, was probably from a stray missile from Ukraine's air defences and not an intentional Russian strike. EURUSD is likely to surpass the hurdle of 1.0400 to continue its upward trend towards the key resistance level of 1.0480. EURINR is expected to continue with its upward trend towards the level of 85.30
- The pound advanced more than 0.40% yesterday amid a weak US dollar index. Additionally, annual inflation rate in the UK jumped to 11.1% in October 2022 from 10.1% in September, much higher than market forecasts of 10.7%. It is the highest inflation rate since October 1981, with main upward pressure coming from housing and household services. Strong job market and soaring inflation fuelled expectation of more interest rate hike by Bank of England
- The pound is expected to trade with a positive bias for the day amid weak US dollar and in anticipation that BoE will opt for an aggressive rate hike to combat soaring inflation. Meanwhile, investors will remain cautious ahead of the autumn budget, where Finance minister Jeremy Hunt is set to raise taxes and cut spending. GBPINR (November) is expected to trade towards the level of 97.40

# Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
CPI (YoY) (Oct)	Europe	3:30 PM	-	10.70%	10.70%	High
Autumn Forecast Statement	UK	6:00 PM	-	-	-	High
Initial Jobless Claims	US	7:00 PM	-	225K	225K	High
Philadelphia Fed Manufacturing Index (Nov)	US	7:00 PM	-	-6.2	-8.7	High
Building Permits (Oct)	US	7:00 PM	-	1.512M	1.564M	High
Housing Starts (Oct)	US	7:00 PM	-	1.410M	1.439M	Medium



---

Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto:pankaj.pandey@icicisecurities.com)

ICICI Direct Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruiti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
[research@icicidirect.com](mailto: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](http://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](http://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.