

November 21, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Nov Futures	Buy	81.70-81.72	81.90	81.57	1 day

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# Rupee Outlook and Strategy

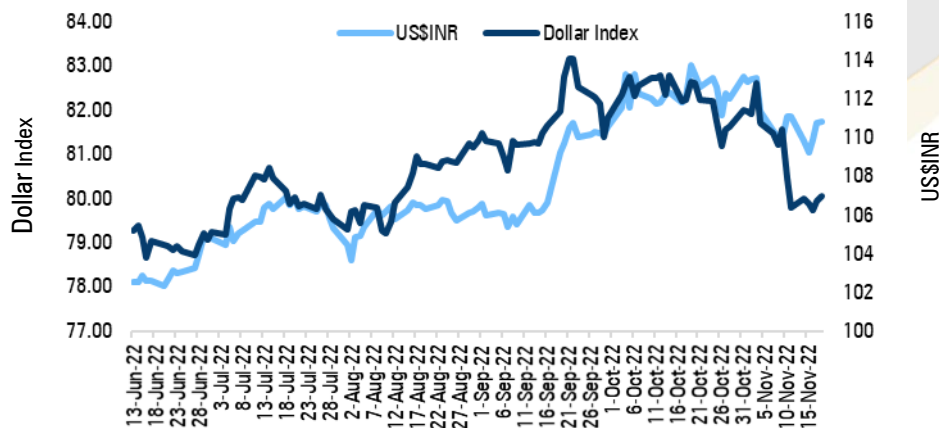
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Nov)	81.74	0.04%	2998250	-90102	3907870	-84745
EURINR (28th Nov)	84.76	0.33%	120254	-8137	193518	12170
GBPINR (28th Nov)	97.36	0.60%	134805	-7462	226247	7962

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Nov-22)	81.41	81.55	81.67	81.81	81.93
US\$INR (28th Dec-22)	81.59	81.74	81.85	81.99	82.11
EURINR (28th Nov-22)	84.48	84.64	84.72	84.89	84.97
EURINR (28th Dec-22)	84.76	84.91	85.00	85.15	85.24
GBPINR (28th Nov-22)	96.97	97.12	97.21	97.36	97.44
GBPINR (28th Dec-22)	97.06	97.27	97.37	97.58	97.69
JPYINR (28th Nov-22)	58.25	58.36	58.42	58.53	58.60
JPYINR (28th Dec-22)	58.55	58.66	58.73	58.84	58.91

## Dollar Index vs US\$INR



- The US dollar appreciated by almost 0.30% on Friday amid a rise in US 10 year's treasury yields and as investors continued to make bets on the US Federal Reserve's interest rate hiking path. Further, stronger than expected existing home sales data from the US supported dollar
- Rupee future maturing on November 28 depreciated on Friday amid a drop in domestic equity markets and rise in US dollar index. However, sharp depreciation was prevented on weakness in crude oil prices
- The rupee is expected to trade with a negative bias for the day amid strong dollar and pessimistic global market sentiments. Further, statements of Fed officials signalled that central bank would continue to lift rates to combat inflation. However, a sharp fall in the rupee may be prevented on softening of crude oil prices. US\$INR (November) is likely to continue its uptrend towards 82.00 level

## US\$INR Strategy

### USDINR Nov futures contract (NSE)

Buy USDINR in the range of 81.70-81.72

Target: 81.90

Stoploss: 81.57

Support: 81.57/81.40

Resistance: 81.90/82.00

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	Nov Futures	Sell	96.80-96.82	96.40	97.05	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	106.97	106.69	0.26%
US\$INR	81.74	81.71	0.04%
EURUSD	1.0323	1.0360	-0.36%
EURINR	84.76	84.48	0.33%
GBPUSD	1.1887	1.1861	0.22%
GBPINR	97.36	96.78	0.60%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.307	7.281	0.026
US	3.831	3.771	0.06
UK	3.242	3.194	0.048
Japan	0.244	0.236	0.008
Germany	2.020	2.024	-0.004

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	8400.76	6817.48	1583.28
Debt	854.53	331.02	523.51
Net			2106.79

- The Euro edged lower by almost 0.40% on Friday amid a rise in the US dollar. However, sharp downside was cushioned after three top policymakers said. The European Central Bank must raise interest rates high enough to dampen growth as it fights sky-high inflation. It could soon start running down its €5 trillion (\$5.2 trillion) debt pile
- The Euro is expected to trade with a negative bias amid a strong dollar and pessimistic global market sentiments. Further, investors will take cues from economic data from the euro area. However, sharp downside may be cushioned in anticipation that the ECB will hike interest rates to fight double digit inflation. Additionally, some policymakers argued for the need to start winding down bank's massive pile of government debt. EURUSD is likely to break key support level of 1.0280 to continue its downward trend towards the level of 1.0260. EURINR is likely to continue its downtrend towards the level of 84.40
- The pound appreciated on Friday amid stronger than expected retail sales data from Britain. Retail sales in the UK increased 0.6% MoM in October 2022. This is compared to market forecasts of a 0.3% rise. Increases were seen in all main sectors apart from food stores. Further, a rise in UK 10 years bond yields supported the sterling
- The pound is expected to trade with a negative bias for the day amid a strong dollar and risk aversion in global markets. Meanwhile, market participants will focus on BoE MPC member Cunliffe's speech for further cues on monetary tightening. GBPUSD is likely to break its key support level at 1.1830 to start its downward trend towards the level of 1.1760. GBPINR (November) is expected to trade towards the level of 96.90

# Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
German PPI (MoM) (Oct)	Europe	12:30 PM	-	0.90%	2.30%	Medium
BoE MPC Member Cunliffe Speaks	UK	2:30 PM	-	-	-	Medium



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