

November 23, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Nov Futures	Sell	81.75	81.45	81.90	1 day

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Rupee Outlook and Strategy

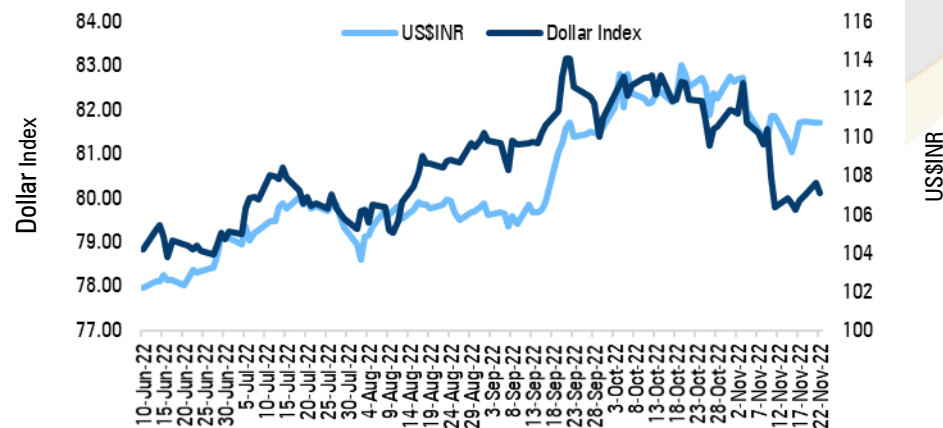
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Nov)	81.70	-0.09%	3069707	163405	2682929	14321
EURINR (28th Nov)	84.01	0.30%	82774	-7805	166985	-63523
GBPINR (28th Nov)	96.97	0.36%	114934	-3822	200059	22644

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Nov-22)	81.50	81.60	81.72	81.82	81.95
US\$INR (28th Dec-22)	81.69	81.78	81.90	81.98	82.10
EURINR (28th Nov-22)	83.68	83.85	83.95	84.12	84.22
EURINR (28th Dec-22)	84.01	84.17	84.26	84.42	84.52
GBPINR (28th Nov-22)	96.48	96.72	96.89	97.13	97.29
GBPINR (28th Dec-22)	96.73	96.95	97.09	97.31	97.45
JPYINR (28th Nov-22)	57.42	57.64	57.78	58.00	58.15
JPYINR (28th Dec-22)	57.63	57.86	58.00	58.22	58.36

Dollar Index vs US\$INR



- US dollar slipped yesterday amid rise in risk appetite in the global markets and decline in US treasury yields. However, hawkish statement's from Fed official's prevented further downside in dollar. Federal Reserve bank of Cleveland President Loretta Mester reiterated that getting inflation down remains critical for central bank
- Rupee future maturing on November 28 appreciated by 0.09% yesterday on the back of weakness in dollar and optimistic domestic market sentiments
- Rupee is expected to trade with a positive bias on weakness in dollar, softening of crude oil prices and rise in risk appetite in the global markets. Meanwhile, sharp gains may be prevented as investors remained focused on the path of US Federal Reserve interest rate increases. Additionally, manufacturing and services pmi data from major countries across that globe are showing activity in both sectors slowed down. US\$INR (November) is expected to trade in a range of 81.45-82.00

US\$INR Strategy

US\$INR Nov futures contract (NSE)

Sell USDINR in the range of 81.75-81.76

Target: 81.45

Support: 81.55/81.45

Stoploss: 81.90

Resistance: 81.90/82.00

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Nov Futures	Sell	83.80	83.50	83.95	Stoploss triggered

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	107.15	107.78	-0.58%
US\$INR	81.71	81.72	-0.01%
EURUSD	1.0303	1.0240	0.62%
EURINR	84.17	83.72	0.54%
GBPUSD	1.1883	1.1821	0.52%
GBPINR	97.05	96.62	0.45%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.285	7.320	-0.035
US	3.758	3.833	-0.075
UK	3.125	3.205	-0.08
Japan	0.242	0.242	0
Germany	1.984	2.024	-0.04

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	5160.4	6381.33	-1220.93
Debt	457.54	3398.66	-2941.12
Net			-4162.05

- Euro rallied yesterday majorly on the back of weakness in dollar and rise in risk appetite in the global markets. Additionally, improved economic data from euro area supported single currency. Euro Zone's current account deficit narrowed to 8 billion euro's in September 2022 from 27 billion euro's in August 2022
- Euro is expected to trade with a positive bias amid weak dollar and optimistic global market sentiments. However, sharp gain's in single currency may prevented on expectation of disappointing economic data from euro area. Manufacturing and Services PMI data from Euro Area are likely to show that activity in both sector contracted in November 2022. EURUSD is taking support near 1.0220 levels, as long as it sustains above this level EURUSD may rise back to 1.0370 levels. EURINR (November) is expected to trade in a range of 84.00-84.70
- Pound appreciated yesterday amid weakness in dollar and rise in risk appetite in the global markets. Further, data showed that British government borrowed less than expected in October 2022. The Office for National Statistics (ONS) said headline public sector net borrowing totaled 13.549 billion pounds last month. Meanwhile, sharp upside was capped as OECD predicted Britain's economy to shrink by 0.4% in 2023
- The pound is expected to trade with a negative bias majorly on the back expectation of disappointing economic data from Britain. UK Manufacturing PMI data is forecasted to show that activity in sector contracted for 4th consecutive month and Services PMI data is likely to show that activity in sector contracted for 3rd consecutive month. However, retreat in dollar and optimistic global market sentiments may prevent sharp fall in sterling. GBPUSD is facing strong resistance near 1.1960 level and has failed to breach that level multiple times. As long as it sustains below this level pound may slip back to 1.1780 levels. GBPINR (November) is expected to trade in a range of 97.00-97.65

Data	Country	Time	Actual	Expected	Previous	Impact
French Flash Manufacturing PMI	Europe	1:45 PM	-	46.9	47.2	High
German Flash Manufacturing PMI	Europe	2:00 PM	-	44.9	45.1	High
Flash Manufacturing PMI	Europe	2:30 PM	-	46	46.4	Medium
Flash Manufacturing PMI	UK	3:00 PM	-	45.7	46.2	High
Core Durable Goods Orders m/m	US	7:00 PM	-	0.00%	-0.50%	Medium
Durable Goods Orders m/m	US	7:00 PM	-	0.40%	0.40%	Medium
Unemployment Claims	US	7:00 PM	-	225K	222K	Medium
Flash Manufacturing PMI	US	8:15 PM	-	50	50.4	High
New Home Sales	US	8:30 PM	-	570K	603K	Medium
Crude Oil Inventories	US	9:00 PM	-	(2.6M)	(5.4M)	Medium



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