

November 24, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	Nov Futures	Sell	81.70	81.40	81.85	1 day

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# Rupee Outlook and Strategy

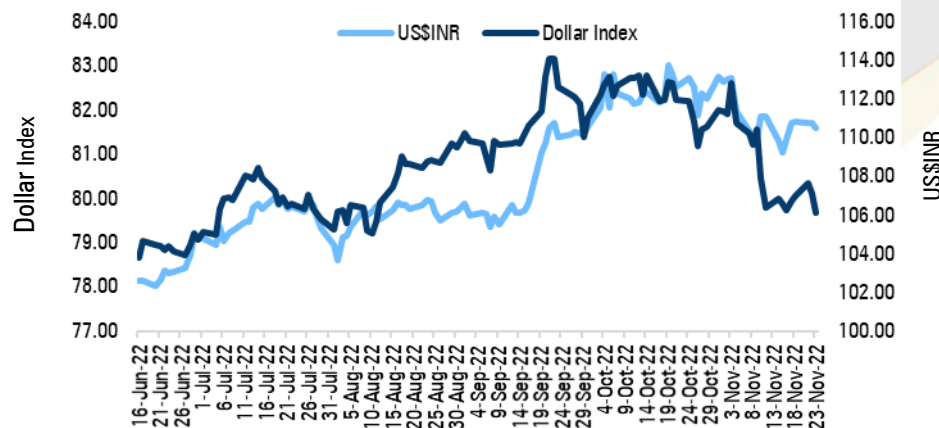
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Nov)	81.94	0.30%	3250547	180840	2627319	-55610
EURINR (28th Nov)	84.51	0.59%	79662	-3112	208962	41977
GBPINR (28th Nov)	97.67	0.73%	113227	-1707	209562	9503

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Nov-22)	81.60	81.77	81.87	82.04	82.14
US\$INR (28th Dec-22)	81.75	81.92	82.03	82.20	82.31
EURINR (28th Nov-22)	84.06	84.28	84.44	84.67	84.83
EURINR (28th Dec-22)	84.47	84.63	84.74	84.90	85.01
GBPINR (28th Nov-22)	96.81	97.24	97.52	97.95	98.23
GBPINR (28th Dec-22)	97.04	97.44	97.69	98.09	98.35
JPYINR (28th Nov-22)	57.70	57.82	57.90	58.02	58.11
JPYINR (28th Dec-22)	57.93	58.06	58.15	58.27	58.37

## Dollar Index vs US\$INR



- US dollar declined yesterday amid rise in risk appetite in the global markets, disappointing economic data from US and fall in US treasury yields. Stocks closed higher as FOMC meeting minutes showed that most of the officials favoured slowing pace of interest rate hike. Policymakers were even worried over the risk of rapid policy tightening on economic growth and financial stability
- Rupee future maturing on November 28 depreciated by 0.30% yesterday on FII outflows and as investors remained cautious ahead of FOMC meeting minutes
- Rupee is expected to trade with a positive bias on optimistic global market sentiments, decline in crude oil prices and weakness in dollar. Meanwhile, investors are worried that global economy is deteriorating. Business survey's pointed decline in output across major countries in globe. US\$INR (November) is facing strong resistance near 82.00 level as long as it sustains below this level it may slip back to 81.45 level

## US\$INR Strategy

### US\$INR Nov futures contract (NSE)

Sell USDINR in the range of 81.70-81.71

Target: 81.40

Support: 81.50/81.40

Stoploss: 81.85

Resistance: 81.85/82.00

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
US\$INR	Nov Futures	Sell	81.75	81.45	81.90	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	106.10	107.15	-0.98%
US\$INR	81.60	81.71	-0.13%
EURUSD	1.0395	1.0303	0.89%
EURINR	84.84	84.17	0.80%
GBPUSD	1.2054	1.1883	1.44%
GBPINR	98.33	97.05	1.32%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.290	7.285	0.005
US	3.698	3.758	-0.06
UK	3.009	3.125	-0.116
Japan	0.242	0.242	0
Germany	1.919	1.984	-0.065

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7399.25	7636.58	-237.33
Debt	459.16	295.38	163.78
Net			-73.55

- Euro rallied yesterday amid weakness in dollar and optimistic global market sentiments. Market sentiments improved after FOMC meeting minutes showed that most of the policymakers are in view that central bank should slow the pace of interest rate increases. However, sharp upside was capped on disappointing economic data from euro area. Manufacturing PMI data showed activity in sector contracted for 5<sup>th</sup> consecutive month and Services PMI data showed activity in sector contracted for 3<sup>rd</sup> successive month
- Euro is expected to trade with a positive bias majorly on the back of weak dollar and rise in risk appetite in the global markets. However, sharp gain's in single currency may be prevented on fears that euro zone may slip into recession. Additionally, market participants will keep a close eye on ECB meeting minutes to get hint on future monetary stance. EURUSD is taking support near 1.0360 levels, as long as it sustains above this level EURUSD may rise back to 1.0450 levels. EURINR (November) is expected to trade in a range of 84.80-85.30
- Pound appreciated yesterday majorly on the back of weakness in dollar and rise in risk appetite in the global markets. However, sharp upside was capped as Manufacturing and Services PMI data showed activity in both sectors contracted, adding to signs of recession
- The pound is expected to trade with a positive bias amid weak dollar and positive global market sentiments. Meanwhile, market will remain vigilant ahead of MPC member speeches to get the hint on future rate hikes. GBPUSD is holding support near 1.2000 level. As long as it sustains above this level pound may rally back to 1.2150 levels. GBPINR (November) is expected to trade in a range of 98.20-98.80

Data	Country	Time	Actual	Expected	Previous	Impact
Flash Manufacturing PMI	Japan	6:00 AM	49.4	50.9	50.7	Medium
German ifo Business Climate	Europe	2:30 PM	-	85	84.3	Medium
CBI Industrial Order Expectations	UK	4:30 PM	-	-9	-4	Medium
ECB Monetary Policy Meeting Accounts	US	6:00 PM	-	-	-	Medium



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