

November 25, 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

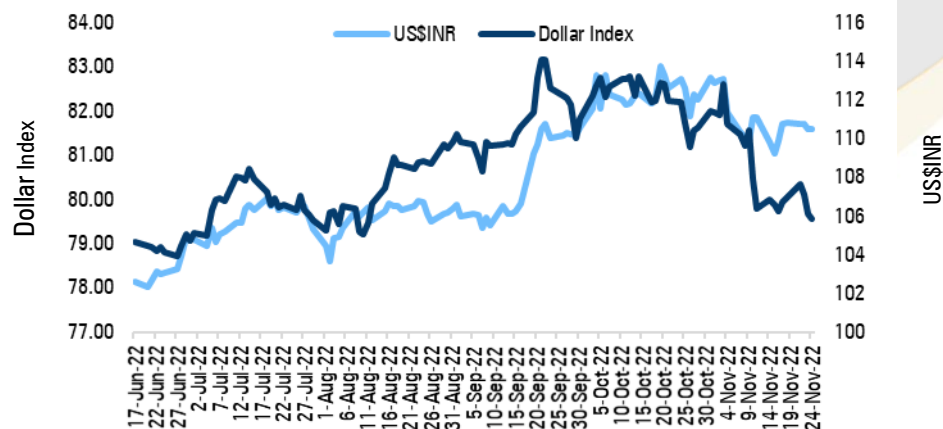
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Nov)	81.69	-0.31%	2996475	-254072	2303691	-323628
EURINR (28th Nov)	84.90	0.47%	67957	-11705	210013	1051
GBPINR (28th Nov)	98.81	1.16%	94855	-18372	202896	-6666

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Nov-22)	81.42	81.55	81.73	81.87	82.05
US\$INR (28th Dec-22)	81.61	81.73	81.89	82.01	82.17
EURINR (28th Nov-22)	84.33	84.62	85.04	85.33	85.75
EURINR (28th Dec-22)	84.76	84.97	85.31	85.53	85.87
GBPINR (28th Nov-22)	98.07	98.44	98.68	99.05	99.30
GBPINR (28th Dec-22)	98.57	98.79	98.94	99.16	99.32
JPYINR (28th Nov-22)	57.58	58.31	58.71	59.44	59.84
JPYINR (28th Dec-22)	58.05	58.64	58.97	59.56	59.88

Dollar Index vs US\$INR



- US dollar extended its losses on anticipation that US Federal Reserve will opt for more moderate pace of rate hikes. Market expects US Federal Reserve to raise interest rate by 50bps in December meeting. liquidity remained thinner than usual as US markets remained closed for Thanksgiving
- Rupee future maturing on November 28 appreciated by 0.31% yesterday on weakness in dollar, softening of crude oil prices and rise in risk appetite in the global markets
- Rupee is expected to appreciate further on positive global market sentiments and weak dollar. Additionally, decline in crude oil prices will reduce oil import bills. Oil prices are plunging on ease in supply concerns as G7 is considering high price cap on Russian Oil. However, sharp gains may be prevented on concern over global economic slowdown. 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 levels

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
US\$INR	Nov Futures	Sell	81.70	81.40	81.85	Exit at cost

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	105.85	106.10	-0.23%
US\$INR	81.61	81.60	0.01%
EURUSD	1.0410	1.0395	0.14%
EURINR	85.04	84.84	0.24%
GBPUSD	1.2111	1.2054	0.47%
GBPINR	98.90	98.33	0.58%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.255	7.290	-0.035
US	3.663	3.698	-0.035
UK	3.035	3.009	0.026
Japan	0.242	0.242	0
Germany	1.848	1.919	-0.071

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	5582.14	7384.68	-1802.54
Debt	75.39	42.68	32.71
Net			-1769.83

- Euro continued with its rally amid weakness in dollar and as global stocks edged up. Further, European Central Bank monetary policy meeting minutes showed policymakers are worried that inflation may be getting deep-rooted, justifying their outlook for further rate hikes. Additionally, improved economic data from Germany supported single currency
- Euro is expected to trade with a positive bias majorly on the back of weakness in dollar and optimistic global market sentiments. Further, ECB monetary policy meeting minutes showed that policymakers are in opinion that central bank should raise interest rate in future to combat soaring inflation. Additionally, expectation of improved economic data from Germany may support single currency. However, sharp gain's in euro may be prevented on fears that euro zone may slip into recession. 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 84.80-85.50
- Pound appreciated yesterday majorly on the back of weakness in dollar and rise in risk appetite in the global markets. Additionally, BOE chief economist signalled that further rate hikes are needed to control elevated inflation. However, sharp upside was capped as UK households are grappling with cost of living crisis
- The pound is expected to trade with a positive bias amid weak dollar and optimistic global market sentiments. However, sharp upside may be capped on series of disappointing economic data from Britain. GBPUSD is holding support near 1.2040 level. As long as it sustains above this level pound may rally back to 1.2200 levels. GBPINR (November) is expected to trade in a range of 98.50-99.10

Data	Country	Time	Actual	Expected	Previous	Impact
German Final GDP q/q	Europe	12:30 PM	-	0.30%	0.30%	Medium
German GfK Consumer Climate	Europe	12:30 PM	-	-39.5	-41.9	Medium



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