

December 01, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Dec Futures	Buy	85.00	85.40	84.80	1 day

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# Rupee Outlook and Strategy

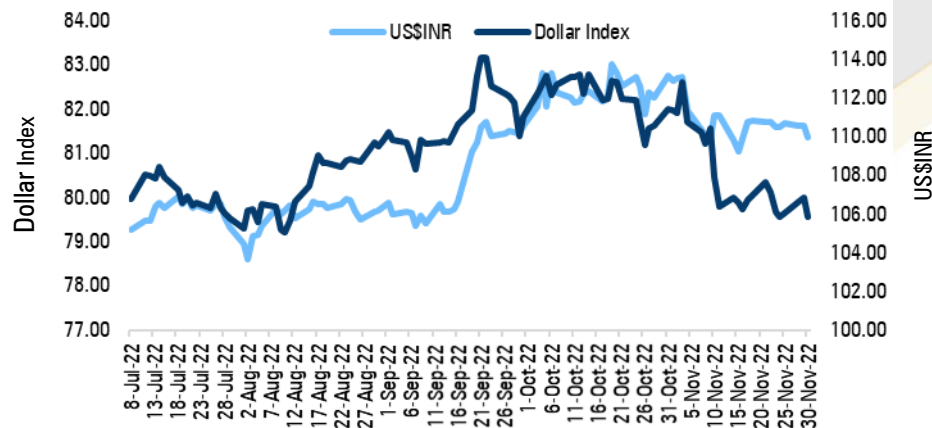
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Dec)	81.50	-0.38%	2828169	157595	3092797	267883
EURINR (28th Dec)	84.53	-0.52%	140209	-10461	188862	-100990
GBPINR (28th Dec)	97.78	-0.39%	164316	-10054	288926	-50421

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Dec-22)	81.23	81.36	81.59	81.73	81.96
US\$INR (27th Jan-23)	81.40	81.53	81.73	81.86	82.06
EURINR (28th Dec-22)	84.29	84.41	84.60	84.72	84.92
EURINR (27th Jan-23)	84.47	84.61	84.84	84.98	85.21
GBPINR (28th Dec-22)	97.35	97.57	97.79	98.00	98.23
GBPINR (27th Jan-23)	97.61	97.81	98.02	98.21	98.42
JPYINR (28th Dec-22)	58.47	58.64	58.91	59.08	59.34
JPYINR (27th Jan-23)	58.81	58.96	59.18	59.33	59.56

## Dollar Index vs US\$INR



- US dollar slipped yesterday on rise in risk appetite in the global markets and decline in US treasury yields. Yields fell after Fed Chair Powell signalled that central bank could scale back the pace of rate hikes as soon as next meeting. Additionally, mixed batch of economic data from US added downside pressure
- Rupee future maturing on December 28 appreciated by 0.38% amid FII inflows and firm domestic equities. Meanwhile, market participants remained cautious ahead of Fed chair Powell speech to get the cues on central bank hiking path
- Rupee is likely to appreciate further amid rise in risk appetite in the global markets and FII inflows. Furthermore, dollar is showing weakness after Fed Chair Powell signalled that central bank will reduce the pace of rate hike and is on track to increase interest rates by 50bps at its next meeting. Additionally, India's GDP data showed economy expanded by 6.3% in Q2 FY23 in line with market expectations. US\$INR (Dec) may trade in a range of 81.25-81.70

## EURNR Strategy

### EURINR Dec futures contract (NSE)

Buy EURINR in the range of 84.98-85.00

Target: 85.40

Stoploss: 84.80

Support: 84.80/84.70

Resistance: 85.40/85.50

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Dec Futures	Sell	84.90	84.50	85.10	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	105.87	106.83	-0.90%
US\$INR	81.35	81.62	-0.33%
EURUSD	1.0430	1.0328	0.99%
EURINR	84.56	84.31	0.29%
GBPUSD	1.2055	1.1951	0.87%
GBPINR	97.95	97.51	0.45%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.280	7.279	0.001
US	3.610	3.748	-0.138
UK	3.156	3.115	0.041
Japan	0.250	0.257	-0.007
Germany	1.889	1.935	-0.046

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	6605.43	5326.11	1279.32
Debt	381.59	319.64	61.95
Net			1341.27

- Euro advanced yesterday amid weakness in dollar and rise in risk appetite in the global markets. In the meantime, inflation in Euro zone eased this month lifting investors hopes that the worst of the price crisis may soon be over and may provide room for ECB to slowdown its rate hikes
- Euro is expected to trade with a positive bias amid weak dollar and optimistic global market sentiments. However, sharp upside may be capped on expectation of disappointing economic data from Euro Zone. Additionally, ECB policymaker's statements indicate that slowdown in rate hikes may not be on cards. EURUSD is taking support near 1.0350 levels, as long as it sustains above this level EURUSD may rise back to 1.0500 levels. EURINR (December) is expected to trade in a range of 84.80-85.40
- Pound appreciated yesterday majorly on the back of weakness in dollar and optimistic global market sentiments. Market sentiments improved after Fed Chair Powell signalled that central bank could scale back the pace of rate hikes as soon as next meeting. However, Britain murky economic outlook weighed on Pound
- The pound is expected to trade with a positive bias on weak dollar and positive global market sentiments. However, sharp upside may be capped on anticipation of disappointing economic data from Britain. GBPUSD is holding support near 1.2000 level. As long as it sustains above this level pound may rise back to 1.2150 levels. GBPINR (December) is expected to trade in a range of 98.00-98.70

Data	Country	Time	Actual	Expected	Previous	Impact
German Retail Sales m/m	Europe	12:30 PM	-	-0.60%	0.90%	Medium
Nationwide HPI m/m	UK	12:30 PM	-	-0.30%	-0.90%	Medium
Final Manufacturing PMI	Europe	2:30 PM	-	47.3	47.3	Medium
Core PCE Price Index m/m	US	7:00 PM	-	0.30%	0.50%	High
Unemployment Claims	US	7:00 PM	-	234K	240K	Medium
ISM Manufacturing PMI	US	8:30 PM	-	49.7	50.2	High



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