

December 6 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Dec Futures	Sell	86.45	86.05	86.65	1 day

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Rupee Outlook and Strategy

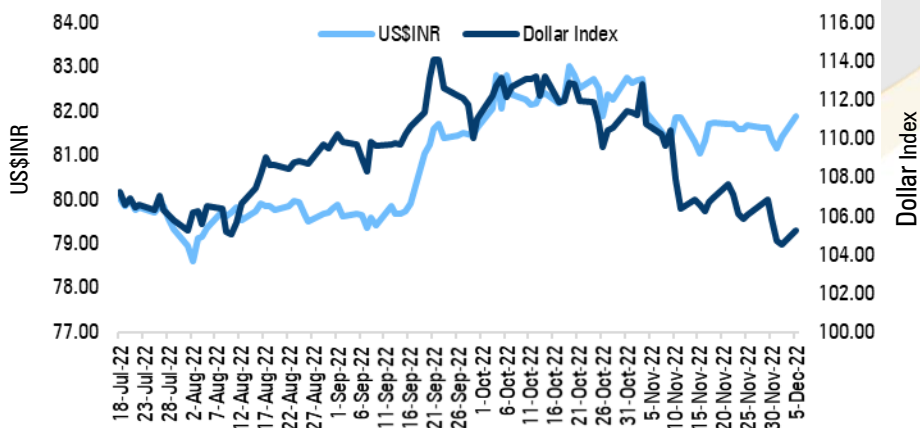
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Dec)	81.96	0.65%	2921624	102543	3515998	653769
EURINR (28th Dec)	86.48	0.79%	187524	20012	201747	12280
GBPINR (28th Dec)	100.45	0.52%	219459	-1821	258583	5492

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Dec-22)	81.08	81.52	81.75	82.19	82.42
US\$INR (27th Jan-23)	81.22	81.65	81.88	82.32	82.55
EURINR (28th Dec-22)	85.53	86.00	86.28	86.75	87.03
EURINR (27th Jan-23)	85.99	86.31	86.50	86.82	87.01
GBPINR (28th Dec-22)	99.94	100.19	100.44	100.70	100.95
GBPINR (27th Jan-23)	100.08	100.35	100.60	100.87	101.12
JPYINR (28th Dec-22)	60.35	60.50	60.70	60.85	61.05
JPYINR (27th Jan-23)	60.60	60.75	60.95	61.10	61.30

Dollar Index vs US\$INR



- US dollar rallied yesterday on the back of upbeat economic data from US and a surge in US treasury yields. Yields rose as improved services PMI data and solid job reports reinforced expectations the Fed will continue to raise interest rates well into 2023. ISM non-manufacturing PMI rose to 56.5 last month from 54.4 in October 2022
- Rupee future maturing on December 28 depreciated by 0.65% yesterday amid muted domestic market sentiments, a surge in crude oil prices and FII outflows
- The rupee is likely to depreciate today as the dollar rebounded from six month's low. The dollar is gaining strength as upbeat economic data from the US fuelled expectation among investors that peak for Fed funds will be higher than expected. Further, risk aversion in global markets and FII outflows may hurt the rupee. A sharp fall in rupee may be prevented on softening crude oil prices. US\$INR (December) may trade in a range of 81.75-82.25

EURINR Strategy

EURINR Dec futures contract (NSE)

Sell EURINR in the range of 86.43-86.45

Target: 86.05

Stoploss: 86.65

Support: 86.05/85.90

Resistance: 86.65/86.75

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Dec Futures	Buy	85.80	86.20	85.60	Target Achieved

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	105.29	104.50	0.76%
US\$INR	81.89	81.41	0.59%
EURUSD	1.0493	1.0540	-0.44%
EURINR	85.93	85.83	0.11%
GBPUSD	1.2187	1.2287	-0.81%
GBPINR	99.83	100.03	-0.20%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.226	7.221	0.005
US	3.575	3.488	0.087
UK	3.096	3.142	-0.046
Japan	0.252	0.251	0.001
Germany	1.890	1.823	0.067

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	10622.15	10247.75	374.4
Debt	1014.64	126.68	887.96
Net			1262.36

- The Euro slipped yesterday mainly on the back of strong dollar and risk aversion in global markets. Additionally, disappointing economic data from euro area added downside pressure on single currency. Europe final services PMI data showed that activity in the sector contracted for a third consecutive month. Retail sales declined 1.8% in October 2022 compared to 0.8% rise in September 2022
- The Euro is expected to trade with a negative bias amid strong dollar and pessimistic global markets sentiments. Further, long awaited EU embargo on imports of Russian oil and oil products came into force. Additionally, disappointing economic data from Euro Area will hurt single currency. The EURUSD is facing resistance near 1.0550 levels. As long as it sustains below this level, the EURUSD may slip back to 1.0450 levels. EURINR (December) is expected to trade in a range of 86.00-86.65
- The pound depreciated yesterday mainly on the back of a strong dollar. Further, the sterling slipped on pessimistic global market sentiments and disappointing economic data. UK final Services PMI data displayed that activity in the sector contracted for a second consecutive month
- The pound is expected to trade with a negative bias mainly on the back of strong dollar and risk aversion in global markets. Further, the pound may slip on expectations of disappointing economic data. Construction PMI data is likely to show that activity in the sector slowed down. Moreover, the sterling may slide as households and business face a cost of living crisis. GBPUSD is facing strong resistance near 1.2300 level. As long as it sustains below this level the pound may slip back to 1.2100 levels. GBPINR (December) is expected to trade in a range of 99.80-100.50

Data	Country	Time	Actual	Expected	Previous	Impact
German Factory Orders m/m	Europe	12:30 PM	-	0.20%	-4.00%	Medium
Construction PMI	UK	3:00 PM	-	52	53.2	Medium
ECOFIN Meetings	Europe	All Day	-	-	-	Medium
Trade Balance	US	7:00 PM	-	(80.1B)	(73.3B)	Medium



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