

December 7, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	Dec Futures	Sell	100.45	100.00	100.65	1 day

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Rupee Outlook and Strategy

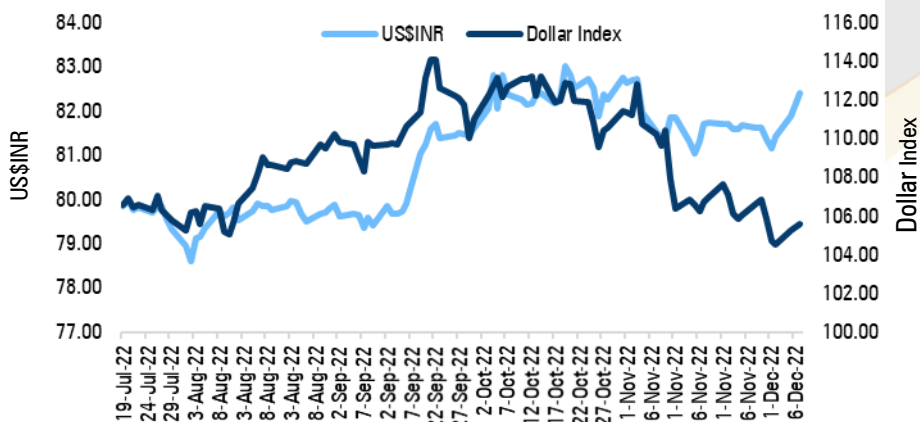
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Dec)	82.50	0.66%	2972680	51056	4583901	1067903
EURINR (28th Dec)	86.70	0.25%	197292	9768	198581	-3166
GBPINR (28th Dec)	100.54	0.09%	220030	571	239194	-19389

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Dec-22)	81.65	82.08	82.40	82.84	83.16
US\$INR (27th Jan-23)	81.78	82.21	82.53	82.97	83.29
EURINR (28th Dec-22)	85.91	86.32	86.59	87.00	87.28
EURINR (27th Jan-23)	86.09	86.49	86.74	87.13	87.39
GBPINR (28th Dec-22)	99.84	100.19	100.45	100.80	101.06
GBPINR (27th Jan-23)	100.01	100.35	100.60	100.95	101.20
JPYINR (28th Dec-22)	59.82	60.20	60.42	60.80	61.03
JPYINR (27th Jan-23)	60.08	60.45	60.67	61.04	61.26

Dollar Index vs US\$INR



- The US dollar edged up yesterday amid risk aversion in global markets. Further, stronger-than-expected economic data from the US raised fears that the Federal Reserve will keep interest rates higher for longer to cool the economy and bring down inflation
- Rupee future maturing on December 28 depreciated by 0.66% yesterday amid pessimistic global market sentiments, strong dollar and FII outflows. Further, market participants remained cautious ahead of RBI's monetary policy
- The rupee is likely to depreciate today amid a strong dollar and risk aversion in global markets. Further, persistent FII outflows may hurt the rupee. Also, investors will remain vigilant ahead of RBI's monetary policy, where the central bank may slow down the pace of rate hike. The rate hike is expected to be in the range of 25-35 bps. Market participants will also focus on statements from the central bank to get hints on future monetary stance. US\$INR (December) may trade in a range of 82.25-82.85

GBPINR Strategy

GBPINR Dec futures contract (NSE)

Sell GBPINR in the range of 100.43-100.45

Target: 100.0

Stoploss: 100.65

Support: 100.15/100.00

Resistance: 100.65/100.80

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Dec Futures	Sell	86.45	86.05	86.65	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	105.56	105.29	0.26%
US\$INR	82.41	81.89	0.63%
EURUSD	1.0462	1.0493	-0.30%
EURINR	86.16	85.93	0.27%
GBPUSD	1.2130	1.2187	-0.47%
GBPINR	99.84	99.83	0.01%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.249	7.226	0.023
US	3.535	3.575	-0.04
UK	3.086	3.096	-0.01
Japan	0.249	0.252	-0.003
Germany	1.790	1.890	-0.1

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	8861.4	9755.43	-894.03
Debt	375.89	227.52	148.37
Net			-745.66

- The Euro slipped yesterday, mainly on the back of a strong dollar and pessimistic global market sentiments. Further, two ECB officials signalled that inflation and rates may be close to peaking. However, better-than-expected economic data from Germany prevented a further decline in the Euro. German factory orders increased by 0.8% in October 2022 compared to a 2.9% decline in September 2022
- The Euro is expected to trade with a negative bias amid a strong dollar and risk aversion in global markets. Further, expectations of disappointing economic data from the Euro Area will hurt the single currency. German Industrial Production is forecasted to decline by 0.6% in October 2022. Additionally, less hawkish statements from policymakers will effect the Euro. EURUSD is facing resistance near 1.0500 levels. As long as it sustains below this level the EURUSD may slip back to 1.0380 levels. EURINR (December) is expected to trade in a range of 86.20-86.85
- The pound depreciated yesterday mainly on the back of a strong dollar and weak global market sentiments. Further, the sterling slipped on disappointing economic data from the UK. UK Construction PMI fell to 50.4 in November 2022 from 53.2 in the preceding month, indicating activity in British construction industry slowed down
- The pound is expected to trade with a negative bias on the back of a strong dollar and risk aversion in global markets. Moreover, a series of poor economic data from Britain indicates that high borrowing cost is impacting the economy severely. GBPUSD is facing strong resistance near 1.2200 level. As long as it sustains below this level the pound may slip back to 1.2050 levels. GBPINR (December) is expected to trade in a range of 100.0-100.65

Data	Country	Time	Actual	Expected	Previous	Impact
RBI Interest rate decision	India	10:00 AM	-	6.25%	5.90%	High
German Industrial Production m/m	Europe	12:30 PM	-	-0.60%	0.60%	Medium
Halifax HPI m/m	UK	12:30 PM	-	-0.20%	-0.40%	Medium
Revised GDP q/q	Europe	3:30 PM	-	0.20%	0.20%	Medium
Crude Oil Inventories	US	9:00 PM	-	(3.5M)	(12.6M)	Medium



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