

December 9, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Dec Futures	Sell	82.45	82.15	82.60	1 day

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Rupee Outlook and Strategy

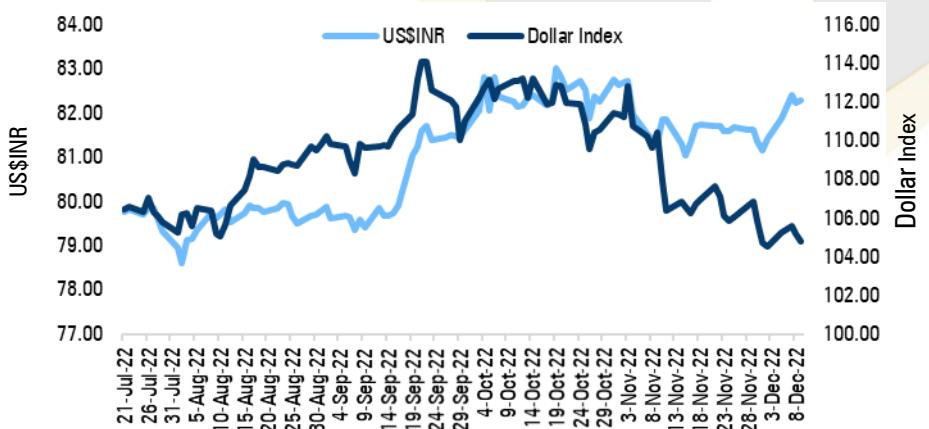
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Dec)	82.50	-0.04%	3067559	7847	2132174	-1447852
EURINR (28th Dec)	86.68	-0.01%	175181	-21714	195007	-11894
GBPINR (28th Dec)	100.32	-0.11%	203809	-3227	155748	-110963

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Dec-22)	82.25	82.37	82.46	82.58	82.67
US\$INR (27th Jan-23)	82.40	82.52	82.60	82.72	82.81
EURINR (28th Dec-22)	86.36	86.52	86.67	86.83	86.98
EURINR (27th Jan-23)	86.55	86.73	86.89	87.07	87.22
GBPINR (28th Dec-22)	99.68	100.00	100.32	100.64	100.96
GBPINR (27th Jan-23)	100.19	100.36	100.58	100.75	100.98
JPYINR (28th Dec-22)	60.05	60.21	60.32	60.48	60.60
JPYINR (27th Jan-23)	60.29	60.45	60.57	60.73	60.85

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar slipped yesterday amid a rise in risk appetite in global markets. Further, investors were worried that higher interest rates could lead to a recession. Meanwhile, PPI and consumer sentiment data due Friday remained in the limelight
- Rupee future maturing on December 28 appreciated by 0.04% yesterday amid a weak dollar, soft crude oil prices and rise in risk appetite in global markets
- The rupee is likely to appreciate today on the back of weakness in the dollar and optimistic global market sentiments. Further, softening of crude oil prices may be supportive for the domestic currency as it will reduce the Import bills. In the meantime, investors will remain cautious ahead of the key economic data from US as it could change the expectations around the terminal Fed fund rates which currently lingers around 5%. Additionally, investors fear that rising interest rates will hamper global economic growth. US\$INR (December) may trade in a range of 82.15-82.60

US\$INR Strategy

US\$INR Dec futures contract (NSE)

Sell USDINR in the range of 82.44-82.45

Target: 82.15

Stoploss: 82.60

Support: 82.15/82.05

Resistance: 82.60/82.70

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Dec Futures	Sell	82.40	82.10	82.55	Exit

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.

Euro and Pound Outlook

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.81	105.17	-0.34%
US\$INR	82.28	82.24	0.05%
EURUSD	1.0555	1.0505	0.47%
EURINR	86.86	86.41	0.52%
GBPUSD	1.2235	1.2208	0.22%
GBPINR	100.66	100.39	0.27%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.288	7.269	0.019
US	3.480	3.419	0.061
UK	3.095	3.049	0.046
Japan	0.253	0.244	0.009
Germany	1.843	1.767	0.076

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	6370.93	7753.1	-1382.17
Debt	516.17	339.54	176.63
Net			-1205.54

- The Euro edged up yesterday mainly on the back of weakness in dollar and rise in risk appetite in the domestic markets. Further, it was a quiet day in Europe's economic calendar with no major data to give clues on economic health. Traders braced themselves for major events next week. Fed, BoE and ECB will announce interest rate decisions
- The Euro is expected to trade with a positive bias amid weak dollar and optimistic global market sentiments. Meanwhile, investors will remain cautious ahead of ECB monetary policy scheduled next week, where central bank will hike rate to control stubbornly high inflation. EURUSD is taking support near 1.0530 levels. As long as it sustains above this level EURUSD may rally back to 1.0620 levels. EURINR (December) is expected to trade in a range of 86.55-87.30
- The pound appreciated yesterday on the back of weakness in dollar. However, sharp upside was capped on risk aversion in domestic markets and disappointing economic data from Britain
- The pound is expected to trade with a positive amid weak dollar and positive global market sentiments. Meanwhile, investors will remain cautious ahead of BoE's monetary policy scheduled next week, where the central bank is likely to hike rate again to tame elevated inflation. Investor will also focus on statements to get fresh direction cues. GBPUSD is holding support near 1.2200 level. As long as it sustains above this level pound may rally to 1.2350 levels. GBPINR (December) is expected to trade in a range of 100.60-101.30

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Core PPI m/m	US	7:00 PM	-	0.20%	0.00%	High
PPI m/m	US	7:00 PM	-	0.20%	0.20%	High
Prelim UoM Consumer Sentiment	US	8:30 PM	-	56.9	56.8	High
Prelim UoM Inflation Expectations	US	8:30 PM	-	-	4.90%	Medium



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