

December 12, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Dec Futures	Sell	82.55	82.25	82.70	1 day

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Rupee Outlook and Strategy

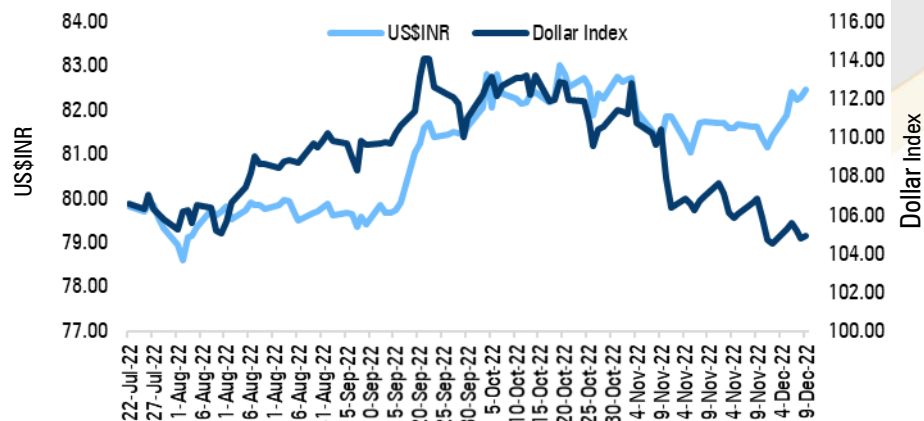
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Dec)	82.37	-0.15%	2978619	-88940	3252656	1120482
EURINR (28th Dec)	86.97	0.33%	181672	6491	192001	-3006
GBPINR (28th Dec)	100.95	0.63%	214013	10204	198864	43116

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Dec-22)	82.04	82.20	82.32	82.48	82.59
US\$INR (27th Jan-23)	82.19	82.35	82.45	82.62	82.72
EURINR (28th Dec-22)	86.61	86.79	87.00	87.18	87.40
EURINR (27th Jan-23)	86.93	87.07	87.25	87.38	87.57
GBPINR (28th Dec-22)	100.37	100.66	100.88	101.17	101.39
GBPINR (27th Jan-23)	100.55	100.83	101.05	101.34	101.56
JPYINR (28th Dec-22)	60.20	60.42	60.60	60.83	61.00
JPYINR (27th Jan-23)	60.43	60.66	60.83	61.05	61.22

Dollar Index vs US\$INR



- US dollar rallied on Friday amid weak global market sentiments and rise in US treasury yields. Further, PPI data from US stirred hopes that inflation is moderating but also raised fears that Fed will need to keep rates higher for longer
- Rupee future maturing on December 28 appreciated by 0.15% on Friday tracking weak dollar and decline in crude oil prices. Meanwhile, pessimistic global market sentiments and FII outflows prevented further gains in rupee
- Rupee is likely to appreciate today on the back of weakness in dollar and softening of Crude oil prices. Additionally, rupee may gain strength on the back of expectation of improved economic data from country. India's CPI data is likely to show that inflation eased to 6.4% in November from 6.77% in October 2022. However, sharp gains may be prevented on weak global market sentiments and FII outflows. USDINR (Dec) is facing strong resistance near 82.70 as long as it sustains below this level pair may move south to 82.25 level

US\$INR Strategy

US\$INR Dec futures contract (NSE)

Sell USDINR in the range of 82.54-82.55

Target: 82.25

Support: 82.25/82.15

Stoploss: 82.70

Resistance: 82.70/82.80

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Dec Futures	Sell	82.45	82.15	82.60	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
DX	104.93	104.81	0.11%
US\$INR	82.46	82.28	0.22%
EURUSD	1.0532	1.0555	-0.21%
EURINR	86.88	86.86	0.02%
GBPUSD	1.2265	1.2235	0.25%
GBPINR	101.13	100.66	0.47%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.299	7.288	0.011
US	3.584	3.480	0.104
UK	3.185	3.095	0.09
Japan	0.259	0.253	0.006
Germany	1.940	1.843	0.097

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9037.57	9816.62	-779.05
Debt	527.31	113.52	413.79
Net			-365.26

- The Euro slipped on Friday amid a rebound in the dollar and risk aversion in global markets. Further, it was a quiet session due to lack of economic data from eurozone and as traders remained cautious ahead of ECB monetary policy scheduled next week
- The Euro is expected to trade with a positive bias amid a weak dollar. Meanwhile, sharp upside may be capped on risk aversion in global markets. Market sentiments were hurt on concerns about how high interest rates may go and impact economic growth. Investors will remain cautious ahead of ECB monetary policy scheduled this week, where the central bank is expected to hike rates to put the brakes on growth to curb inflation. EURUSD is taking support near 1.0470 levels. As long as it sustains above this level, the EURUSD may rally back to 1.0600 levels. EURINR (December) is expected to trade in a range of 86.70-87.30
- The pound appreciated on Friday on news that the British government announced reforms designed to maintain London as one of the most competitive financial hubs in the world. However, sharp upside was capped on a strong dollar and risk aversion in global markets
- The pound is expected to trade with a positive amid a weak dollar and expectation of improved economic data from Britain. UK GDP data is likely to show that economy expanded by 0.4% in October 2022 compared to 0.6% contraction in September. Meanwhile, investors will remain cautious ahead of BoE's monetary policy scheduled this week, where the central bank is likely to increase interest rate to curb inflation. Investor will also focus on statements to get fresh direction cues. GBPUSD is holding support near 1.2150 level. As long as it sustains above this level the pound may rally to 1.2350 levels. GBPINR (December) is expected to trade in a range of 100.70-101.50

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
GDP m/m	UK	12:30 PM	-	0.40%	-0.60%	High
Goods Trade Balance	UK	12:30 PM	-	(15.4B)	(15.7B)	Medium
Industrial Production m/m	UK	12:30 PM	-	-0.10%	0.20%	Medium
Manufacturing Production m/m	UK	12:30 PM	-	-0.10%	0.00%	Medium
CPI (YoY)	India	5:30 PM	-	6.40%	6.77%	High
Industrial Production (YoY)	India	5:30 PM	-	0.30%	3.10%	Medium



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