

December 13, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Dec Futures	Buy	87.30	87.70	87.10	1 day

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# Rupee Outlook and Strategy

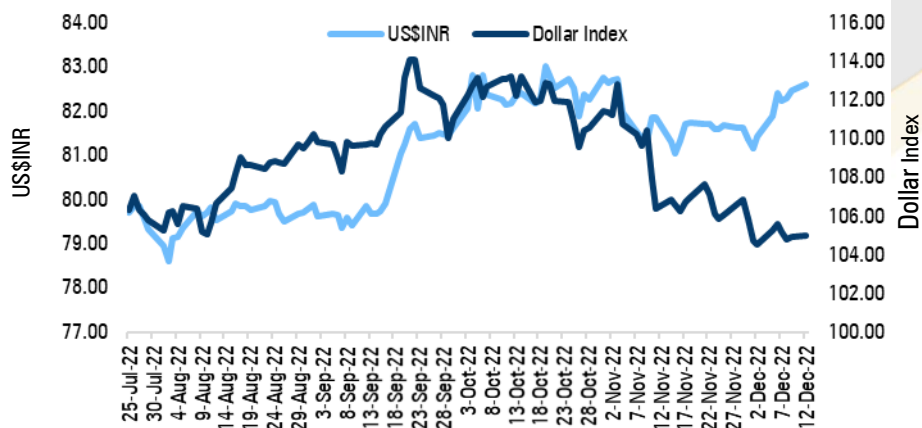
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Dec)	82.60	0.28%	2955771	-22848	2724812	-527844
EURINR (28th Dec)	87.30	0.37%	180708	-964	168852	-23149
GBPINR (28th Dec)	101.43	0.48%	218411	4398	192714	-6150

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Dec-22)	82.26	82.43	82.62	82.79	82.98
US\$INR (27th Jan-23)	82.48	82.61	82.78	82.92	83.09
EURINR (28th Dec-22)	86.70	87.00	87.16	87.46	87.63
EURINR (27th Jan-23)	86.95	87.24	87.40	87.68	87.84
GBPINR (28th Dec-22)	100.67	101.05	101.26	101.64	101.86
GBPINR (27th Jan-23)	100.86	101.23	101.44	101.82	102.02
JPYINR (28th Dec-22)	60.37	60.45	60.51	60.59	60.65
JPYINR (27th Jan-23)	60.62	60.71	60.78	60.87	60.93

## Dollar Index vs US\$INR



- The US dollar rallied yesterday due to a surge in US treasury yields. Meanwhile, sharp upside was capped as investors remained cautious ahead of CPI data, which is likely to show that inflation has started moderating and US Federal Reserve policy meeting where the central bank is expected to slow the pace of rate hike
- Rupee future maturing on December 28 depreciated by 0.28% yesterday tracking a strong dollar and rebound in crude oil prices. Additionally, market participants remained cautious ahead of CPI data from India and US to get more clarity on future policy decisions
- The rupee is likely to appreciate today on the back of weakness in dollar and rise in risk appetite in global markets. Market sentiments improved on anticipation of moderating inflation in US and smaller interest rate hikes from the Fed. Additionally, India CPI data showed inflation eased to 11 month low of 5.88% and came below RBI upper margin of 6%. US\$INR (December) will trade in a range of 82.50-82.90

## EURINR Strategy

### EURINR Dec futures contract (NSE)

Buy EURINR in the range of 87.28-87.30

Target: 87.70

Stoploss: 87.10

Support: 87.10/87.00

Resistance: 87.60/87.70

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Dec Futures	Sell	82.55	82.25	82.70	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	104.99	104.93	0.06%
US\$INR	82.60	82.46	0.17%
EURUSD	1.0537	1.0532	0.05%
EURINR	87.10	86.88	0.25%
GBPUSD	1.2264	1.2265	-0.01%
GBPINR	101.32	101.13	0.19%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.294	7.299	-0.005
US	3.613	3.584	0.029
UK	3.204	3.185	0.019
Japan	0.247	0.259	-0.012
Germany	1.959	1.940	0.019

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7576.11	7674.1	-97.99
Debt	742.7	748.52	-5.82
Net			-103.81

- The Euro advanced marginally by 0.05% yesterday in anticipation that ECB policymakers will remain hawkish even if the region enters into a recession as headline inflation is five times the central bank's target. However, sharp gains were capped on risk aversion in the domestic markets and strong dollar
- The Euro is expected to trade with a positive bias amid weak dollar and optimistic global markets sentiments. Further, expectation of improved economic data from Germany will support single currency. In the meantime, all eyes will be on outcome of major central banks monetary policy across globe. EURUSD is taking support near 1.0490 levels. As long as it sustains above this level, EURUSD may rally back to 1.0600 levels. EURINR (December) is expected to trade in a range of 87.10-87.70
- The pound slipped yesterday marginally by 0.01% on the back of strong dollar and weak domestic market sentiments. However, sharp downside was cushioned as GDP grew by 0.5% in October after contracting by 0.6% in September
- The pound is expected to trade with a positive mainly on the back of weak dollar, rise in risk appetite in the global markets and expectation of improved economic data from Britain. Meanwhile, investors will keep an eye on BoE's monetary policy, where the central bank is likely to increase interest rate by 50 bps to curb inflation. More focus will be on statements from central bank to get cues on further monetary stance. GBPUSD is holding support near 1.2190 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 101.20-101.70

Data	Country	Time	Actual	Expected	Previous	Impact
Claimant Count Change	UK	12:30 PM	-	3.5K	3.3K	High
Average Earnings Index 3m/y	UK	12:30 PM	-	6.10%	6.00%	High
Unemployment Rate	UK	12:30 PM	-	3.70%	3.60%	High
German ZEW Economic Sentiment	Europe	3:30 PM	-	-26.5	-36.7	Medium
ZEW Economic Sentiment	Europe	3:30 PM	-	-25.4	-38.7	Medium
CPI y/y	US	7:00 PM	-	7.30%	7.70%	High



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