

December 21, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Dec Futures	Sell	82.80	82.50	82.95	1 day

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# Rupee Outlook and Strategy

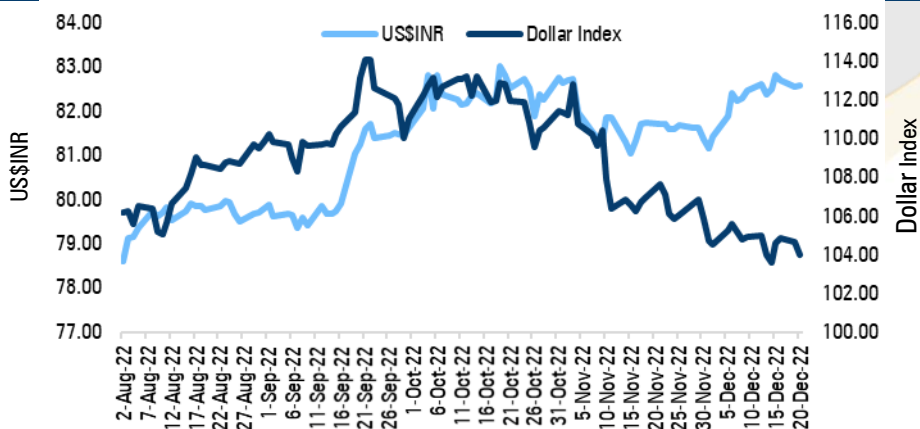
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Dec)	82.80	0.10%	2829171	-77311	2208024	-113476
EURINR (28th Dec)	87.99	0.20%	163206	999	223415	13260
GBPINR (28th Dec)	100.72	-0.10%	199765	4016	259898	38979

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Dec-22)	82.54	82.67	82.79	82.92	83.05
US\$INR (27th Jan-23)	82.67	82.81	82.94	83.08	83.21
EURINR (28th Dec-22)	87.48	87.74	87.92	88.17	88.35
EURINR (27th Jan-23)	87.76	88.01	88.19	88.44	88.62
GBPINR (28th Dec-22)	99.86	100.29	100.59	101.02	101.33
GBPINR (27th Jan-23)	100.06	100.48	100.79	101.22	101.52
JPYINR (28th Dec-22)	61.34	61.95	62.33	62.94	63.32
JPYINR (27th Jan-23)	61.17	62.00	62.47	63.30	63.77

## Dollar Index vs US\$INR



- The US dollar slipped after Bank of Japan (BoJ) shocked markets with a surprise tweak to its bond yield programme. BoJ decided to let long term yields move 50 bps on either side of its 0% target, wider than 25 bps band previously. Additionally, disappointing housing data added downside pressure. However, a surge in US treasury yields prevented a further fall in the dollar
- Rupee future maturing on December 28 depreciated by 0.10% yesterday amid risk aversion in domestic markets and rise in crude oil prices
- The rupee is likely to appreciate today tracking weakness in dollar. Meanwhile, sharp gains may be prevented on pessimistic global market sentiments and re-bounce in crude oil prices. Additionally, market participants will keep an eye on major economic data from the US to gauge the economic health of the country. US\$INR (December) is facing strong resistance near 82.97. As long as it sustains below this level it may slip further till 82.50

## US\$INR Strategy

### US\$INR Dec futures contract (NSE)

Sell USDINR in the range of 82.78-82.80

Target: 82.50

Support: 82.50/82.30

Stoploss: 82.95

Resistance: 82.95/83.05

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Dec Futures	Sell	82.75	82.45	82.90	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	103.97	104.66	-0.66%
US\$INR	82.58	82.64	-0.08%
EURUSD	1.0622	1.0607	0.14%
EURINR	87.82	87.61	0.24%
GBPUSD	1.2183	1.2145	0.31%
GBPINR	100.72	100.27	0.45%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.299	7.297	0.002
US	3.688	3.590	0.098
UK	3.595	3.474	0.121
Japan	0.440	0.220	0.22
Germany	2.294	2.205	0.089

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	5362.33	5499.9	-137.57
Debt	132.29	723.14	-590.85
Net			-728.42

- The Euro rallied by 0.14% yesterday on the back of a weak dollar and improved economic data from the euro area. Further, ECB policymakers in their speeches reiterated that the central bank is still a long way from hitting their inflation goal and the bank needs to be persistent on rate hikes
- The Euro is expected to trade with a positive bias, mainly on the back of weakness in the dollar. Further, expectations of improved economic data from Germany may support the single currency. However, sharp upside may be capped on weak global market sentiments and on rising fears that region is slipping into recession. EURUSD is holding support near 1.0550 levels. As long as it sustains above this level, it may rise back to 1.0700 levels. EURINR (December) is expected to trade in a range of 87.60-88.40
- The pound appreciated by 0.31% yesterday amid weakness in the dollar and positive domestic markets. However, sharp upside was capped as households and business face a cost of living crisis
- The pound is expected to trade with a positive bias, mainly on the back of weakness in the dollar. Meanwhile, weak global market sentiments and expectation of disappointing economic from Britain are expected to prevent sharp upside in the sterling. GBPUSD is likely to rise back till 1.2300 level as long as it sustains above 1.2100 level. GBPINR (December) is expected to trade in a range of 100.40-101.30

Data	Country	Time	Actual	Expected	Previous	Impact
German GFK Consumer Climate	Europe	12:30 PM	-	-38	-40.2	Medium
CB Consumer Confidence	US	8:30 PM	-	101	100.2	High
Existing Home Sales	US	8:30 PM	-	4.20M	4.43M	Medium
Crude Oil Inventories	US	9:00 PM	-	2.5M	10.2M	Medium



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