

December 23, 2022

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Dec Futures	Sell	88.20	87.80	88.40	1 day

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# Rupee Outlook and Strategy

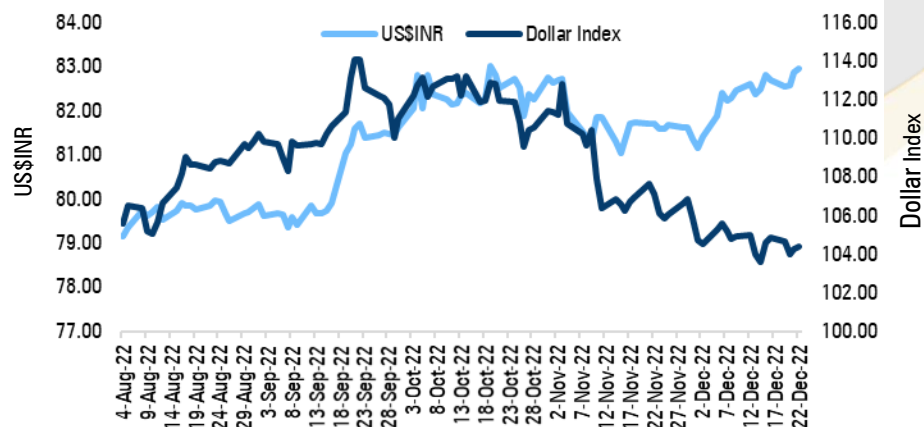
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Dec)	82.79	-0.04%	2654466	-87526	1828480	36993
EURINR (28th Dec)	87.96	0.03%	140996	-14101	212536	39666
GBPINR (28th Dec)	99.92	-0.40%	175412	-17767	232822	51277

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Dec-22)	82.56	82.67	82.76	82.87	82.96
US\$INR (27th Jan-23)	82.74	82.84	82.93	83.03	83.12
EURINR (28th Dec-22)	87.74	87.85	88.01	88.12	88.28
EURINR (27th Jan-23)	88.08	88.17	88.32	88.41	88.55
GBPINR (28th Dec-22)	99.45	99.68	100.07	100.30	100.68
GBPINR (27th Jan-23)	99.70	99.93	100.29	100.51	100.87
JPYINR (28th Dec-22)	62.44	62.54	62.74	62.84	63.03
JPYINR (27th Jan-23)	62.73	62.84	63.03	63.14	63.33

## Dollar Index vs US\$INR



- The US dollar ended on a positive note amid better-than-expected economic data from the US. Investors fear that upbeat economic data from the US may encourage the Fed to raise interest rates higher and keep them elevated for longer. Data showed the number of people filling for jobless claims increased less than expected last week and third estimate of GDP suggested output expanded at an annual rate of 3.2%, faster than the previous estimate of 2.9%

- Rupee future maturing on December 28 appreciated marginally by 0.04% yesterday tracking weakness in the dollar and FII inflows
- The rupee is likely to depreciate today mainly on the back of a firm dollar, rise in crude oil prices and risk aversion in global markets. Market sentiments were hurt as investors fear that solid economic data from the US may keep the US Fed hawkish for longer. Additionally, market participants will remain cautious ahead of inflation and personal spending data from the US to get fresh directional cues. US\$INR (December) is expected to trade in a range of 82.60-83.05

## EURINR Strategy

### EURINR Dec futures contract (NSE)

Sell EURINR in the range of 88.18-88.20

Target: 87.80

Stoploss: 88.40

Support: 87.80/87.70

Resistance: 88.40/88.50

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	Dec Futures	Sell	100.50	100.10	100.70	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
DXV	104.39	104.23	0.15%
US\$INR	82.96	82.87	0.11%
EURUSD	1.0591	1.0605	-0.13%
EURINR	87.83	87.88	-0.06%
GBPUSD	1.2029	1.2082	-0.44%
GBPINR	99.75	100.10	-0.35%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.316	7.287	0.029
US	3.680	3.664	0.016
UK	3.587	3.565	0.022
Japan	0.401	0.455	-0.054
Germany	2.365	2.310	0.055

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	5166.43	5665.88	-499.45
Debt	130.96	482.26	-351.3
Net			-850.75

- The Euro slipped by 0.13% yesterday, mainly on the back of risk aversion in global markets and a strong dollar. However, sharp downside was cushioned on hawkish statement from an ECB policymaker. ECB Vice-President Luis de Guindos said the central bank may raise interest rates at its current pace for a period of time to curb inflation. Increases of 50 bps may become the new norm in the near term
- The Euro is expected to trade with a negative bias mainly on the back of firm dollar and weak global market sentiments. Market sentiments were hurt as upbeat economic data from the US fuelled worries among investors that the US Fed may stay on its aggressive monetary policy tightening path. However, sharp downside may be cushioned on hawkish statements from ECB officials and expectation of improved economic data from Euro Area. EURUSD is facing strong resistance near 1.0650 levels. As long as it sustains below this level, it may slip back to 1.0530 levels. EURINR (December) is expected to trade in a range of 87.70-88.40
- The pound depreciated by 0.44% yesterday amid a firm dollar and disappointing economic data from the UK. Britain's GDP data showed the economy contracted more than initial estimate in the third quarter. Economic output fell 0.3% in Q3CY22 compared to the previous estimate of -0.2%
- The pound is expected to trade with a negative bias on a strong dollar and pessimistic global market sentiments. Further, the pound may slip on disappointing economic data from Britain and on worries that the UK economy remained stuck in a stagflationary environment. Moreover, rising borrowing cost may hurt households who are already grappling with a cost of living crisis. GBPUSD is likely to fall back till 1.1900 level as long as it sustains below 1.2120 level. GBPINR (December) is expected to trade in a range of 99.50-100.50

Data	Country	Time	Actual	Expected	Previous	Impact
Core PCE Price Index m/m	US	7:00 PM	-	0.20%	0.20%	High
Core Durable Goods Orders m/m	US	7:00 PM	-	0.00%	0.50%	Medium
Durable Goods Orders m/m	US	7:00 PM	-	-0.90%	1.10%	Medium
Personal Spending m/m	US	7:00 PM	-	0.20%	0.80%	Medium
New Home Sales	US	8:30 PM	-	600K	632K	Medium



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