

December 29, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Jan Futures	Sell	88.50	88.10	88.70	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Rishikesh Lilawat
rishikesh.lilawat@icicisecurities.com

Rupee Outlook and Strategy

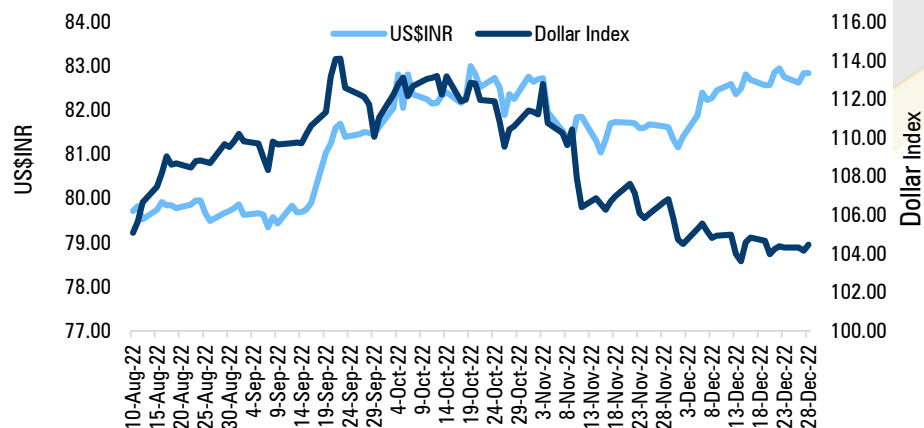
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Jan)	82.98	-0.04%	3461735	504515	3081974	1183991
EURINR (27th Jan)	88.39	-0.27%	193078	16361	239307	81797
GBPINR (27th Jan)	100.16	0.15%	164788	41577	296576	150327

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th Jan-23)	82.87	82.93	83.00	83.06	83.13
US\$INR (24th Feb-23)	83.04	83.09	83.16	83.21	83.28
EURINR (27th Jan-23)	88.18	88.28	88.44	88.54	88.70
EURINR (24th Feb-23)	88.40	88.50	88.65	88.76	88.91
GBPINR (27th Jan-23)	99.35	99.74	99.97	100.36	100.59
GBPINR (24th Feb-23)	99.55	99.92	100.14	100.51	100.73
JPYINR (27th Jan-23)	61.77	61.99	62.15	62.36	62.53
JPYINR (24th Feb-23)	62.01	62.24	62.43	62.67	62.86

Dollar Index vs US\$INR



- The US dollar rallied yesterday amid a surge in US treasury yields and risk aversion in global markets. However, sharp upside was capped on disappointing economic data from the country. US pending home sales fell far more than expected in November. It also fell for a sixth consecutive month indicating the hefty toll the Fed rate hike is taking on the housing market
- Rupee future maturing on January 27 appreciated marginally by 0.04% tracking muted dollar and softening crude oil prices. Meanwhile, sharp gains were prevented on risk aversion in global markets and FII outflows
- The rupee is likely to depreciate today mainly on the back of a firm dollar, persistent FII outflows and risk aversion in global markets. However, a sharp fall may be prevented on a decline in crude oil prices. Oil prices slipped on concerns over a surge in Covid-19 cases in China. US\$INR (January) is holding support near 82.75 level. As long as it sustains above this level it may rise back to 83.20 levels

EURINR Strategy

EURINR Jan futures contract (NSE)

Sell EURINR in the range of 88.48-88.50

Target: 88.10

Support: 88.10/88.00

Stoploss: 88.70

Resistance: 88.70/88.80

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	Jan Futures	Sell	100.30	99.90	100.50	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
DXY	104.46	104.15	0.30%
US\$INR	82.85	82.85	0.00%
EURUSD	1.0611	1.0638	-0.25%
EURINR	87.91	88.26	-0.40%
GBPUSD	1.2015	1.2013	0.02%
GBPINR	99.53	99.78	-0.25%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.314	7.308	0.006
US	3.880	3.845	0.035
UK	3.647	3.640	0.007
Japan	0.451	0.468	-0.017
Germany	2.514	2.510	0.004

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	2894.27	2732.7	161.57
Debt	80.95	165.04	-84.09
Net			77.48

- The Euro depreciated by 0.25% yesterday on the back of a strong dollar and pessimistic global market sentiments. However, sharp downside was cushioned as ECB policymakers signalled that rate hikes would need to continue
- The Euro is expected to trade with a negative bias for the day amid a firm dollar and risk aversion in global markets. Additionally, series of disappointing economic data from euro area indicates that region is going through sharp slowdown. EURUSD is facing resistance near 1.0680 levels. As long as it sustains below this level, it may slip back to 1.0570 levels. EURINR (January) is expected to trade in a range of 88.00-88.70
- The pound appreciated marginally by 0.02% yesterday as Britain's markets reopened after a long weekend. However, sharp upside was capped on a firm dollar and risk aversion in global markets
- The pound is expected to trade with a negative bias for the day amid gloomy global market sentiments and a strong dollar. Further, the pound may slip on worries that the UK economy remained stuck in a stagflationary environment. GBPUSD is likely to fall back till 1.1950 level as long as it sustains below 1.2100 level. GBPINR (January) is expected to trade in a range of 99.60-100.30

Data	Country	Time	Actual	Expected	Previous	Impact
Unemployment Claims	US	7:00 PM	-	225K	216K	Medium
Crude Oil Inventories	US	9:30 PM	-	(1.2M)	(5.9M)	Medium



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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