

January 6, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	Jan Futures	Sell	99.00	98.60	99.20	1 day

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Rupee Outlook and Strategy

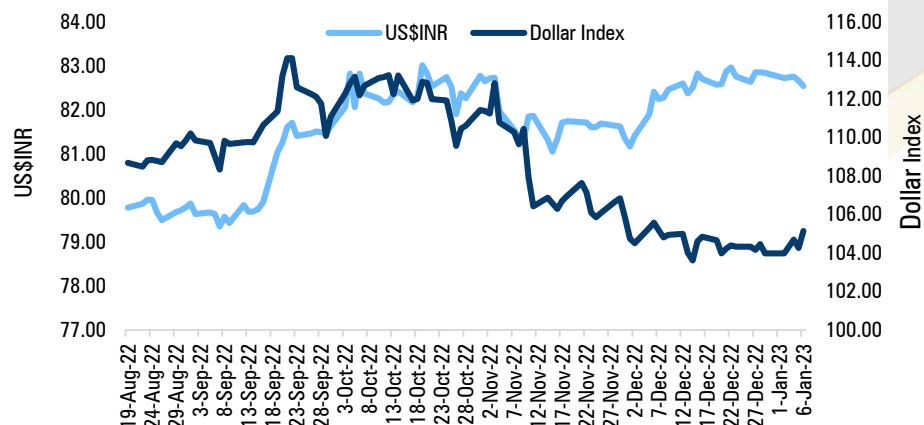
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Jan)	82.56	-0.44%	3575286	-17428	2872015	505779
EURINR (27th Jan)	87.73	-0.48%	167155	-9087	222250	-16406
GBPINR (27th Jan)	99.27	-0.86%	132162	-22366	248184	-65509

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th Jan-23)	82.28	82.42	82.66	82.80	83.04
US\$INR (24th Feb-23)	82.42	82.56	82.79	82.93	83.16
EURINR (27th Jan-23)	87.42	87.57	87.84	87.99	88.26
EURINR (24th Feb-23)	87.69	87.86	88.11	88.28	88.53
GBPINR (27th Jan-23)	98.76	99.01	99.47	99.73	100.18
GBPINR (24th Feb-23)	99.03	99.26	99.68	99.91	100.33
JPYINR (27th Jan-23)	62.14	62.36	62.70	62.92	63.26
JPYINR (24th Feb-23)	62.23	62.53	63.00	63.29	63.77

Dollar Index vs US\$INR



- The US dollar rallied by 0.84% yesterday after ADP non-farm employment data showed more than expected number of jobs were added in the economy. Even the number of people filing for jobless claims dropped to a three-month low last week. Strong labour market data supported prospects that Fed may keep rates higher for some time
- Rupee future maturing on January 27 appreciated by 0.44% mainly on the back of softening of crude oil prices. A decline in crude oil prices will lower import bills and even ease concerns over India's CAD
- The rupee is likely to depreciate today amid strong dollar and risk aversion in global markets. Market sentiments were hurt as strong labour market data reinforced expectations that the Fed may keep rates higher for some time. Also, investors will closely watch non-farm payrolls, average hourly earnings and ISM Services PMI data to gauge the economic health of the country. US\$INR (January) may hold support near 82.45. As long as it sustains above this level, it may rise back to 82.80 levels

GBPINR Strategy

GBPINR Jan futures contract (NSE)

Sell GBPINR in the range of 98.98-99.00

Target: 98.60

Support: 98.60/98.40

Stoploss: 99.20

Resistance: 99.20/99.50

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Jan Futures	Sell	82.90	82.50	83.10	Profit Booked

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	105.14	104.26	0.84%
US\$INR	82.54	82.66	-0.15%
EURUSD	1.0521	1.0601	-0.75%
EURINR	86.94	87.67	-0.83%
GBPUSD	1.1902	1.2053	-1.25%
GBPINR	98.37	99.63	-1.26%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.327	7.321	0.006
US	3.720	3.686	0.034
UK	3.546	3.500	0.046
Japan	0.568	0.461	0.107
Germany	2.295	2.286	0.009

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	4512.26	6973.37	-2461.11
Debt	135.96	569.41	-433.45
Net			-2894.56

- The Euro depreciated by 0.75% yesterday, mainly on the back of a rebound in dollar and pessimistic global market sentiments. Market sentiments were hurt as strong labour market data reinforced expectations that the Fed may keep rates higher for some time. Further, FOMC meeting minutes had also shown that none of the Fed members expect a rate cut in 2023
- The Euro is expected to trade with a negative bias amid a strong dollar and risk aversion in global markets. Further, German factory orders are expected to decline by 0.5% in November 2022 compared to 0.8% rise in October 2022. Additionally, inflation data from the euro area is likely to show that price pressure is ebbing. Softer inflation may fuel expectations that the central bank may reduce the pace of rate hikes and could even pause it sooner than anticipated. EURUSD is facing resistance near 1.0640 levels. As long as it sustains below this level, it may slip till 1.0450 levels. EURINR (January) is expected to trade in a range of 87.00-87.70
- The pound depreciated by 1.25% yesterday amid a bounce back in the dollar and risk aversion in global markets. Further, disappointing economic data from the country added downward pressure. UK Services PMI data showed activity in the sector contracted for a third consecutive month
- The pound is expected to trade with a negative bias mainly on the back of a strong dollar and weak global market sentiments. Further, expectations of unsatisfactory economic data from Britain will hurt the sterling. GBPUSD is likely to slip back to 1.1820 level as long as it sustains above 1.2000 level. GBPINR (January) is expected to trade in a range of 98.40-99.20

Data	Country	Time	Actual	Expected	Previous	Impact
German Factory Orders m/m	Europe	12:30 PM	-	-0.50%	0.80%	Medium
German Retail Sales m/m	Europe	12:30 PM	-	1.50%	-2.80%	Medium
Construction PMI	UK	3:00 PM	-	50.6	50.4	Medium
CPI Flash Estimate y/y	Europe	3:30 PM	-	9.60%	10.10%	High
Average Hourly Earnings m/m	US	7:00 PM	-	0.40%	0.60%	High
Non-Farm Employment Change	US	7:00 PM	-	200K	263K	High
Unemployment Rate	US	7:00 PM	-	3.70%	3.70%	High
ISM Services PMI	US	9:30 PM	-	55	56.5	High



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