

January 25, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Jan Futures	Sell	81.70	81.30	81.90	1 day

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Rupee Outlook and Strategy

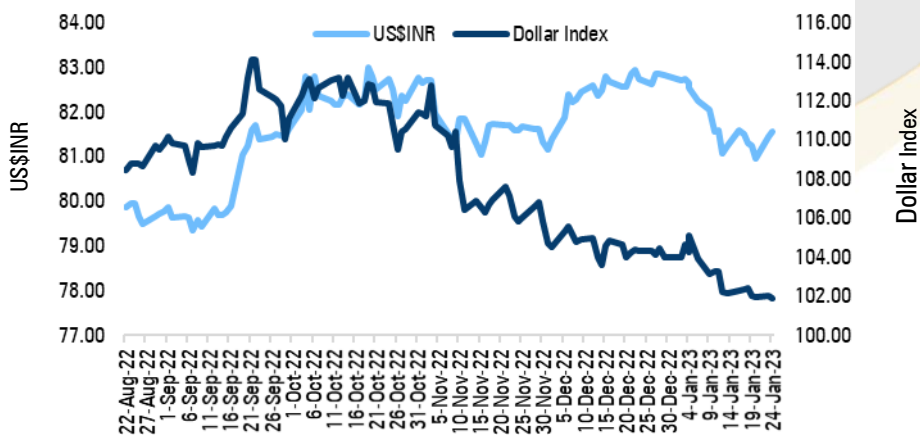
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Jan)	81.67	0.25%	2876114	-197345	3203930	-85908
EURINR (27th Jan)	88.71	0.24%	113583	-18940	162598	-57582
GBPINR (27th Jan)	100.54	-0.19%	93516	-18581	263992	20040

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	81.23	81.45	81.62	81.83	82.00
US\$INR (Feb)	81.26	81.52	81.71	81.97	82.15
EURINR (Jan)	88.52	88.62	88.74	88.83	88.96
EURINR (Feb)	88.95	177.91	88.95	177.91	88.95
GBPINR (Jan)	100.75	201.49	100.75	201.49	100.75
GBPINR (Feb)	100.92	201.83	100.92	201.83	100.92
JPYINR (Jan)	62.75	125.50	62.75	125.50	62.75
JPYINR (Feb)	63.07	126.13	63.07	126.13	63.07

Dollar Index vs US\$INR



- US dollar index on Tuesday fell by 0.09% and settled near the 101.92 mark following the decline in the US 10 year bond yields and weaker economic numbers. Manufacturing and Services PMI data showed activity in both sector contracted, signalling a slowdown in the US economy. Furthermore, Richmond manufacturing index slid to a two and half year low of -11 in January
- Rupee future maturing on January 27 depreciated by 0.35% to end at 81.67 on Tuesday amid muted domestic markets
- The US\$INR pair is likely to face rejection near 81.80-82.00 zone and is expected to slide towards 81.30 following improvement in global risk appetite and weakness in the dollar. Further expectation of weaker US advance GDP numbers, which is due on Thursday could restrict the recovery in dollar. The pair is still hovering below the 20 day EMA, which could act as key resistance. As long as it remains below 81.80 the pair is likely to move towards the immediate support at 81.30

US\$INR Strategy

USDINR Jan futures contract (NSE)

Sell USDINR in the range of 81.70-81.72

Target: 81.30

Support: 81.30/81.00

Stoploss: 81.90

Resistance: 81.70/81.90

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Jan Futures	Sell	81.65	81.20	81.85	Exit

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	101.92	102.02	-0.09%
US\$INR	81.58	81.46	0.14%
EURUSD	1.0882	1.0868	0.13%
EURINR	88.82	88.57	0.28%
GBPUSD	1.2330	1.2372	-0.34%
GBPINR	100.60	100.81	-0.21%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.346	7.352	-0.006
US	3.455	3.517	-0.062
UK	3.284	3.355	-0.071
Japan	0.406	0.377	0.029
Germany	2.157	2.209	-0.052

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	5814.34	5590.11	224.23
Debt	144.75	113.72	31.03
Net			255.26

- The Euro gained against the dollar and settled closed to the 1.09 mark on Tuesday following supportive eurozone economic numbers and weakness in the dollar. The eurozone manufacturing numbers rose to its five-month high of 48.8 against previous reading of 47.80. Also, the uptick in service PMI numbers, which improved above the 50 mark for the first time in the last four reading has supported the Euro to stay firm
- The Euro is expected to rise towards 1.0925-1.0940 mark as long as it holds above 1.083 amid soft dollar and optimistic global market sentiments. Further, expectation of improvement in the German ifo Business climate numbers, which is projected to rise above the 90 mark could also support the single currency. EURINR (January) is expected to rise towards 89.20 as long as the pair remains above 88.40
- The pound erased all its gains and ended with a loss of 0.34% on Tuesday amid weaker set of economic numbers. The service PMI declined to 48 against the forecast of 49.60. Moreover, CBI Industrial order expectation slide to -17 the lowest in the last five months. The manufacturing PMI numbers again failed to make any impression as it remained under the 47 mark for the fourth time in a row
- The pound is likely to remain in a corrective phase following yesterday's weaker set of economic numbers. At present, 1.245 holds key resistance to the pair. As long as it remains below 1.245, it is likely to move towards the 1.2250 mark. GBPINR (January) is expected to move towards 100.00, as long as it stays below the key resistance of 101.30

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
PPI Input (MoM) (Dec)	UK	12:30 PM	-	0.002	0.006	Medium
German Ifo Business Climate Index (Jan)	Europe	2:30 PM	-	90.2	88.6	High
Crude Oil Inventories	US	9:00 PM	-		8.4M	Medium



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