

January 27, 2023

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Feb Futures	Sell	81.75	81.30	81.95	1 day

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# Rupee Outlook and Strategy

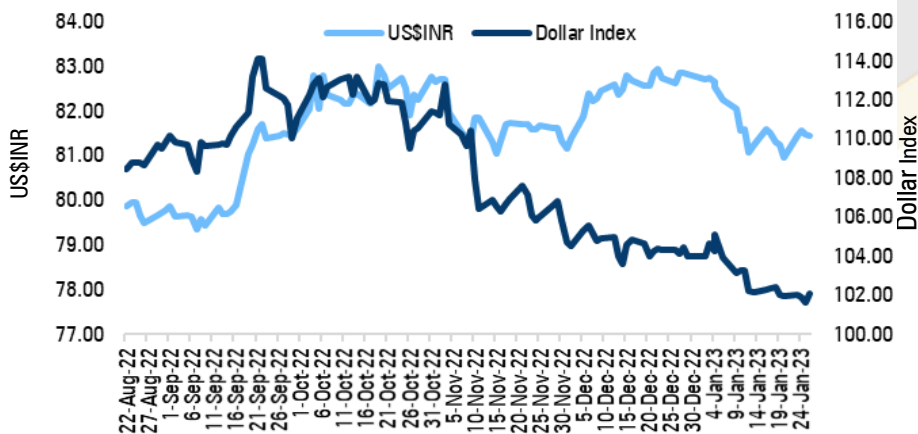
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Jan)	81.62	-0.07%	2380337	-495777	3326395	122465
EURINR (27th Jan)	88.69	-0.07%	78344	-35239	180236	17638
GBPINR (27th Jan)	100.46	-0.08%	64299	-29217	193408	-70584

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jan)	81.34	81.48	81.63	81.77	81.92
US\$INR (Feb)	81.45	81.59	81.74	81.88	82.03
EURINR (Jan)	88.28	88.48	88.83	89.03	89.37
EURINR (Feb)	89.04	178.08	89.04	178.08	89.04
GBPINR (Jan)	100.52	201.05	100.52	201.05	100.52
GBPINR (Feb)	100.68	201.37	100.68	201.37	100.68
JPYINR (Jan)	62.70	125.40	62.70	125.40	62.70
JPYINR (Feb)	63.12	126.25	63.12	126.25	63.12

## Dollar Index vs US\$INR



- The US dollar index recovered from its seven month lows as better-than-expected economic numbers showed strength in the US economy and pushed bond yields higher. The Q4 advance GDP numbers improved to 2.9% against market expectation of 2.6%. The weekly unemployment claims fell to a nine-month low of 186,000, showing a stronger labour market. Furthermore, durable goods order rose 5.6% MoM, stronger than expectation of 2.5% and the biggest increase in nearly two and a half years
- Rupee future maturing on January 27 appreciated by 0.07% on Wednesday amid weak dollar and softening of crude oil prices
- The rupee is likely to appreciate towards the 81.30-81.10 zone following improvement in global risk appetite and strong dollar inflows. Further expectation of decline in US core PCE price index (YoY) to 4.4% could force the Fed to dial back its aggressive rate hike policy. US\$INR is likely to face rejection near 81.80 and move towards the immediate support at 81.30

## US\$INR Strategy

### USDINR Feb futures contract (NSE)

Sell USDINR in the range of 81.75-81.78

Target: 81.30

Stoploss: 81.95

Support: 81.30/81.10

Resistance: 81.95/82.05

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Jan Futures	Sell	81.70	81.30	81.90	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	101.81	101.64	0.17%
US\$INR	81.40	81.58	-0.22%
EURUSD	1.0884	1.0912	-0.26%
EURINR	88.71	88.96	-0.28%
GBPUSD	1.2406	1.2397	0.07%
GBPINR	101.05	101.03	0.02%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.347	7.346	0.001
US	3.502	3.447	0.055
UK	3.295	3.243	0.052
Japan	0.459	0.433	0.026
Germany	2.206	2.145	0.061

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	6448.56	6562.84	-114.28
Debt	1094.33	0.14	1094.19
Net			979.91

- The Euro fell back from its nine-month high and marked moderate losses amid recovery in the dollar. Further, the single currency slipped on uptick in Spanish unemployment rate and decline in Italian Consumer confidence numbers
- The Euro is expected to rise towards 1.0925-1.0930 mark as long as it holds above 1.083 amid optimistic global market sentiments. Further, the Euro may move north as ECB policymakers reiterated their desires to keep raising key rates to combat soaring inflation. EURINR (January) is likely to hold the support of 88.30 and move towards 89.20
- The pound rebounded from its day's lows to settle above 1.24 amid rising global risk appetite. Meanwhile, the recovery in the dollar and weaker CBI realised sales numbers limited its gains
- The pound is likely to rise towards the previous top at 1.245 as long as it holds above the 1.2330 level. On the technical front, the 50 day EMA is trying to cross over the 200 day EMA to form the so-called "golden cross". This bullish crossover could support the pair to move higher. GBPINR (January) is expected to move towards 101.40 as long as it stays above the key support of 100.50

# Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Core PCE Price Index (MoM) (Dec)	US	7:00 PM	-	0.2%	0.2%	High
PCE Price index (YoY) (Dec)	US	7:00 PM	-	-	5.5%	Medium
Personal Spending (MoM) (Dec)	US	7:00 PM	-	1.358M	1.427M	Medium
Michigan Consumer Sentiment (Jan)	US	8:30 PM		64.6	64.6	Medium
Pending Home Sales (MoM) (Dec)	US	8:30 PM			-4%	Medium



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