

January 30, 2023

Daily Currency Outlook

Daily Recommendation

Contract	Action	Price	Target	Stoploss	Duration
Feb Futures	Sell	81.78	81.30	81.95	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Rishikesh Lilawat
rishikesh.lilawat@icicisecurities.com

Anup Sahu
anup.sahu@icicisecurities.com

Rupee Outlook and Strategy

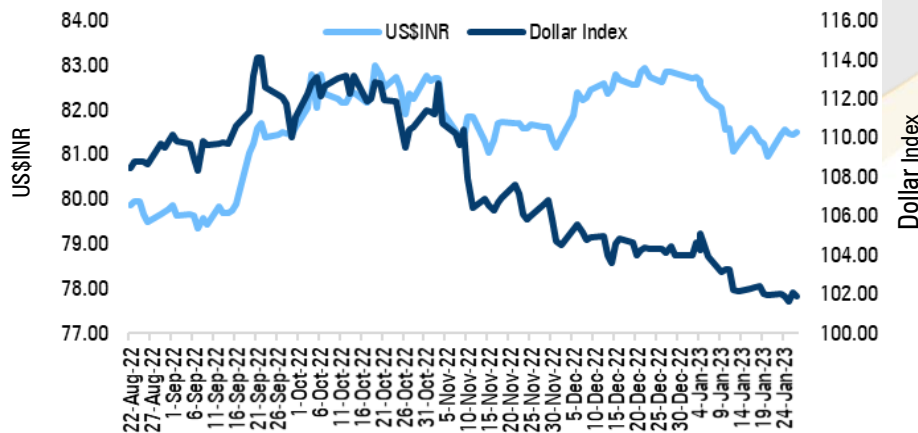
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (24th Feb)	81.67	-0.07%	2763099	399839	3126563	970365
EURINR (24th Feb)	89.04	-0.06%	218007	43166	223977	66987
GBPINR (24th Feb)	101.09	0.47%	145420	38623	261744	150634

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	81.50	81.59	81.69	81.78	81.88
US\$INR (Mar)	81.65	81.74	81.84	81.92	82.02
EURINR (Feb)	88.74	88.89	88.98	89.13	89.23
EURINR (Mar)	89.23	178.46	89.23	178.46	89.23
GBPINR (Feb)	101.09	202.18	101.09	202.18	101.09
GBPINR (Mar)	101.26	202.51	101.26	202.51	101.26
JPYINR (Feb)	63.15	126.31	63.15	126.31	63.15
JPYINR (Mar)	63.45	126.89	63.45	126.89	63.45

Dollar Index vs US\$INR



- The US dollar index posted modest gains on Friday amid a rise in US treasury yields. Furthermore, the dollar got support as US Michigan January consumer sentiment climbed to a nine-month high and December pending home sales unexpectedly increased by 2.5% against previous reading of -2.6%. Meanwhile, further gains were prevented as expectations of the Fed nearing the end of rate hike cycle got reinforced after data showed US consumer spending fell for a second consecutive month in December and Core PCE price index eased to 4.4% in December from 4.7% in November
- Rupee future maturing on February 24 appreciated by 0.07% on Friday amid weakness in dollar
- The rupee is likely to appreciate today amid weakness in the dollar and rise in risk appetite in global markets. Market sentiments are expected to improve further on hopes the US Fed will reduce the pace of rate hike in the upcoming meeting following softness in the US inflation print. US\$INR is likely to face rejection near the 20 day EMA at 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 81.78-81.80

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	Feb Futures	Sell	81.75	81.30	81.95	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	101.81	0.11%
US\$INR	81.50	81.40	0.13%
EURUSD	1.0865	1.0884	-0.17%
EURINR	88.59	88.71	-0.13%
GBPUSD	1.2388	1.2406	-0.15%
GBPINR	101.01	101.05	-0.04%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.387	7.347	0.04
US	3.505	3.502	0.003
UK	3.328	3.295	0.033
Japan	0.481	0.459	0.022
Germany	2.225	2.206	0.019

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	8101.95	8358.45	-256.5
Debt	1631.68	702.58	929.1
Net			672.6

- The Euro erased its earlier gains and fell back from its nine-month high to trade below the 1.09 mark amid a recovery in the dollar. Meanwhile, hawkish comments from ECB officials to raise rates by 50 bps in the upcoming meeting has supported the pair to hold above 1.086. The ECB President in her speech said the bank would stick to its 50 bps rate hike in the next two meetings as inflation still remains beyond the target zone of 2%
- For the day, the Euro is expected to dip towards the support of 1.083 as long as the pair trades below the psychological mark of 1.09. Further, the expectation of decline in German preliminary GDP numbers and anticipation of lower inflation print in the Spanish region could support the correction in the pair. EURINR (February) is likely to slide towards 88.20 as long as the pair stays under 89.20
- The pound failed to sustain above the key psychological mark of 1.24 and closed at 1.2388 following recovery in the dollar. Meanwhile, the pair is holding its positive momentum ahead of this week's Bank of England (BoE) policy. The BoE is expected to raise interest rates by 50 bps in its coming policy, lifting the bank rate to 4%
- 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 bullish crossover of 10 and 50 day EMA is still intact, which could support the pair to cross the 1.24 mark. GBPINR (February) 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
German Prelim GDP q/q	Europe	2:30 PM	-	0.0%	0.4%	Medium



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

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

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