

March 14, 2023

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Mar Futures	Buy	88.10	88.55	87.80	1 day

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# Rupee Outlook and Strategy

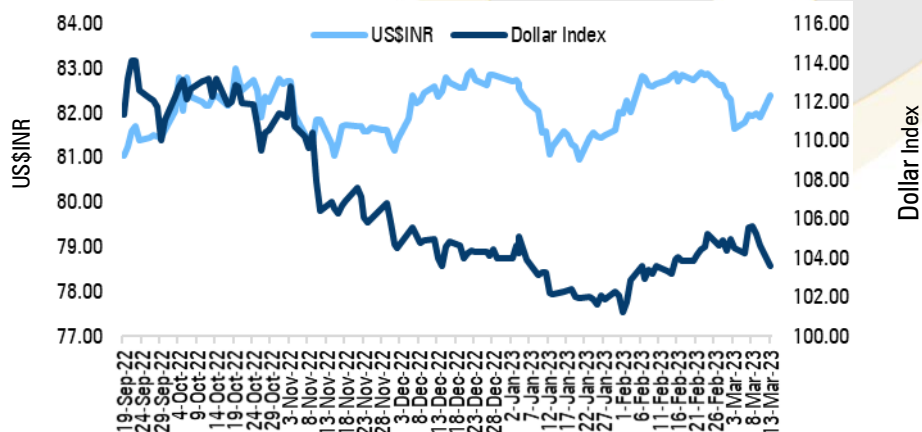
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Mar)	82.23	0.10%	2491644	-30322	3334868	1240417
EURINR (28th Mar)	87.80	0.74%	94911	-17154	207483	32393
GBPINR (28th Mar)	99.21	0.79%	95842	-16856	318280	43876

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	81.64	81.93	82.11	82.40	82.58
US\$INR (Apr)	81.87	82.15	82.33	82.61	82.78
EURINR (Mar)	87.36	87.58	87.83	88.05	88.31
EURINR (Apr)	88.07	176.14	88.07	176.14	88.07
GBPINR (Mar)	99.22	198.43	99.22	198.43	99.22
GBPINR (Apr)	99.40	198.80	99.40	198.80	99.40
JPYINR (Mar)	61.57	123.15	61.57	123.15	61.57
JPYINR (Apr)	61.91	123.82	61.91	123.82	61.91

## Dollar Index vs US\$INR



- The US dollar index declined almost 1% on Monday as the ongoing turmoil in the US banking sector diminished expectations of a tighter Fed policy. Markets are pricing in the Fed cutting rates this year, with the fed funds rate expected to fall to 3.80% in December, from 4.57% now. The two-year treasury yield plunged 57.2 basis points to 4.016% in the biggest one day fall since 1987
- The rupee future maturing on March 28 depreciated to 82.23 amid weakness in domestic equities
- The US\$INR is expected to face resistance near the higher end of the trading range at 82.45-82.50 amid weakness in the dollar. The CME Fed watch toll suggests a 27% probability of a zero basis point hike in the federal funds target in its next meeting. Further, expectation of a decline in US inflation numbers would also limit rate hike hopes. US\$INR is likely to face key resistance at 82.50 and decline towards the immediate support at 82.00

## EURINR Strategy

### EURINR March futures contract (NSE)

Buy EURINR in the range of 88.10-88.12

Target: 88.55

Support: 88.00/87.74

Stoploss: 87.80

Resistance: 88.60/88.80

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Mar Futures	Buy	87.15	87.50	86.90	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	103.62	104.64	-0.97%
USSINR	82.41	81.91	0.61%
EURUSD	1.0730	1.0639	0.86%
EURINR	88.42	87.26	1.33%
GBPUSD	1.2182	1.2029	1.27%
GBPINR	100.36	98.64	1.74%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.365	7.429	-0.064
US	3.570	3.703	-0.133
UK	3.378	3.621	-0.243
Japan	0.296	0.406	-0.11
Germany	2.259	2.465	-0.206

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	5160.35	6924.71	-1764.36
Debt	123.57	858.1	-734.53
Net			-2498.89

- The Euro resumed its rally on Monday amid a sell-off in the dollar. The pair rose by 0.86% on Monday to 1.073 amid expectation that ECB will raise interest rates by 50 bps in its next policy.
- The Euro is expected to trade with a positive bias amid weakness in dollar. The pair rallied above the key psychological mark at 1.07 and confirmed the trend reversal double bottom pattern, suggesting further upside. Now the pair is hovering near the higher band of the Bollinger band channel resistance at 1.075, which could act as immediate hurdle for the pair. On the downside, 1.0633 (Mid Bollinger band) holds key support for the pair. Hence, as long as 1.0633 holds, the pair is expected to rise towards the 1.075 to 1.078 zone. EURINR (March) is likely to rise towards 88.80 as long as it holds the key support at 87.70
- The pound marked a significant gain on Monday by almost 1.25% amid weakness in the dollar. Further, the BoE on Monday said that its banking system was sound after the central bank helped to get buyers for the British arm of SVB
- The pound is expected to trade in the range of 1.2045-1.2210 ahead of today's key job numbers. The pair is hovering above the 20 day EMA at 1.2045 and is expected to face a hurdle near the higher band of the Bollinger band channel resistance at 1.221 level. GBPINR (March) is likely to face a hurdle near 100.60 with support for the pair holding around 99.60

# Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Claimant Count Change	UK	12:30PM	-	12.5 K	-12.9 K	High
Average Earnings Index 3m/y	UK	12:30PM	-	5.7%	5.90%	Medium
Unemployment Rate	UK	12:30PM	-	3.80%	3.70%	Medium
CPI y/y	US	6:00PM	-	6.00%	6.40%	High
CB Leading Index m/m	UK	7:00 PM	-	-	-0.008	Medium



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