

March 15, 2023

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Mar Futures	Buy	88.15	88.60	87.90	1 day

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# Rupee Outlook and Strategy

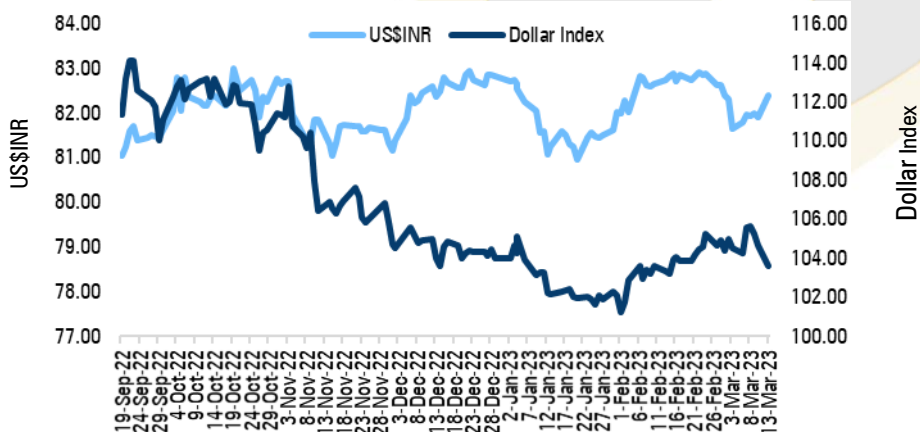
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Mar)	82.52	0.36%	2362835	-128809	3265922	-68946
EURINR (28th Mar)	88.52	0.82%	100382	5471	177854	-29629
GBPINR (28th Mar)	100.34	1.14%	99037	3195	308366	-9914

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	82.15	82.34	82.49	82.67	82.82
US\$INR (Apr)	82.36	82.54	82.69	82.88	83.03
EURINR (Mar)	87.96	88.24	88.42	88.70	88.87
EURINR (Apr)	88.76	177.51	88.76	177.51	88.76
GBPINR (Mar)	100.29	200.58	100.29	200.58	100.29
GBPINR (Apr)	100.55	201.10	100.55	201.10	100.55
JPYINR (Mar)	61.79	123.58	61.79	123.58	61.79
JPYINR (Apr)	62.24	124.48	62.24	124.48	62.24

## Dollar Index vs US\$INR



- The US dollar index inched higher on Tuesday to close with a marginal gain as strong US CPI numbers revived the likelihood that the Federal Reserve will hike interest rates. An easing of contagion concerns from the US banking turmoil also strengthened the dollar. Further, a rebound in the two-year bond yields has limited losses in the dollar
- The rupee future maturing on March 28 depreciated to 82.52 amid weakness in domestic equities
- The US\$INR is likely to appreciate amid weakness in crude oil prices and rally in global equities. Further, expectation of a decline in US retail sales data and PPI numbers would also weigh on the dollar. US retail sales are expected to decline by 0.3% against the previous month's rise of 3%. Further, the Empire state manufacturing index is also set to post weaker number. US\$INR is likely to face key resistance at 82.64 and decline towards the immediate support at 82.10-82.00 zone

## EURINR Strategy

### EURINR March futures contract (NSE)

Buy EURINR in the range of 88.15-88.17

Target: 88.60

Support: 88.10/87.74

Stoploss: 87.90

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	103.67	103.62	0.05%
US\$INR	82.23	82.41	-0.22%
EURUSD	1.0732	1.0730	0.02%
EURINR	88.29	88.42	-0.15%
GBPUSD	1.2150	1.2182	-0.26%
GBPINR	99.98	100.36	-0.38%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.378	7.429	-0.051
US	3.685	3.703	-0.018
UK	3.512	3.621	-0.109
Japan	0.272	0.406	-0.134
Germany	2.440	2.465	-0.025

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9561.45	6552.83	3008.62
Debt	394.93	78.71	316.22
Net			3324.84

- The Euro continued to trade above the key psychological level of 1.07 as recovery in global equities helped it to trade on a firmer note. The pair settled near one month highs amid expectation that ECB will raise interest rates by 50 bps in its next policy
- The Euro is expected to hold its gains today amid expectation of better-than-expected economic numbers. The eurozone Industrial production numbers are set to gain by 0.3% against last month's decline of 1.1%. Further, expectation of higher inflation numbers from Germany and France would also raise the prospects of tighter monetary policy from the ECB. 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, 1.065 (Mid Bollinger band) holds key support for the pair. The momentum indicator suggests bullish bias, as RSI is hovering above 55. Hence, any dip towards the supports would be considered as good buying opportunity in the pair. EURINR (March) is likely to rise towards 88.80 as long as it holds the key support at 87.70
- The pound pared some of its gains and settled near 1.215 as decline in pay growth numbers suggests softness in the UK inflation. Further, the recovery in the dollar index has also limited the upside in the pound to go beyond 1.22 mark
- The pound is expected to trade in the range of 1.21-1.2210. The softness in the pay growth numbers could change the aggressive stance of the BoE. Now, the pair is hovering near the key resistance zone of 1.2210. The pair has to cross above 1.2210 to resume its rally further towards 1.2260 else we may see a consolidation. 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
German WPI m/m	Europe	12:30PM	-	0.30%	0.2%	Medium
Industrial Production m/m	Europe	03:30PM	-	0.3%	-1.10%	Medium
PPI m/m	US	6:00PM	-	0.30%	0.70%	High
Retail Sales m/m	US	6:00PM	-	-0.30%	3.00%	High
Empire State Manufacturing Index	US	6:00PM	-	-7.9	-0.058	High
NAHB Housing Market Index	US	7:30 PM	-	40.00	42.00	Medium
Crude Oil Inventories	US	8:00 PM	-	-	-1.7 M	Medium



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