

March 20, 2023

# Daily Currency Outlook

## Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDNR	Mar Futures	Sell	82.72	82.44	82.90	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

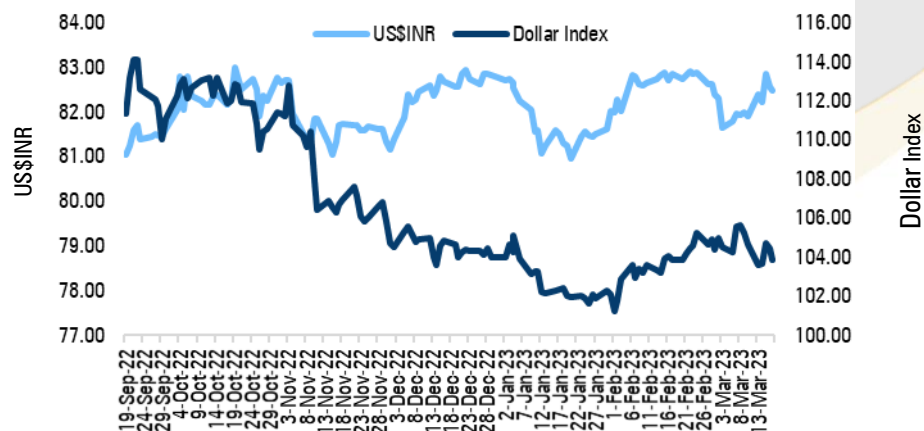
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (28th Mar)	82.62	-0.28%	2342864	-133295	2809337	-198615
EURINR (28th Mar)	87.89	-0.10%	100076	3282	135772	-7542
GBPINR (28th Mar)	100.26	0.49%	89104	8764	219069	-25218

## Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	82.40	82.51	82.58	82.69	82.77
US\$INR (Apr)	82.49	82.65	82.86	83.02	83.23
EURINR (Mar)	87.58	87.73	87.94	88.09	88.29
EURINR (Apr)	88.22	176.43	88.22	176.43	88.22
GBPINR (Mar)	100.29	200.57	100.29	200.57	100.29
GBPINR (Apr)	100.48	200.97	100.48	200.97	100.48
JPYINR (Mar)	61.98	123.95	61.98	123.95	61.98
JPYINR (Apr)	62.43	124.86	62.43	124.86	62.43

## Dollar Index vs US\$INR



- The US dollar index fell more than 0.50% on Friday as University of Michigan's March US inflation expectations index declined below 4% for the first time since May 2021 to 3.8%. Further, weaker industrial production numbers and consumer sentiment also weighed on the dollar to slide below the 104 mark
- Rupee future maturing on March 28 appreciated to 82.62 amid weakness in the dollar and decline in oil prices
- The US\$INR is likely to decline towards the immediate support of 82.40 amid weakness in dollar. The increase of US dollar liquidity could be negative for the dollar. US\$INR is facing stiff resistance near the multi month resistance zone of 83. As long as the pair stays under 83 it is expected to dip towards the initial support of 20 day EMA at 82.40. A move below 82.40 would open further downsides towards 82.20-82.10

## US\$INR Strategy

### USDINR March futures contract (NSE)

Sell USDINR in the range of 82.72-82.74

Target: 82.44

Support: 82.40/82.30

Stoploss: 82.90

Resistance: 82.85/83.00

## Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDNR	Mar Futures	Sell	82.84	82.54	83.10	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	103.86	104.44	-0.56%
US\$INR	82.50	82.58	-0.09%
EURUSD	1.0660	1.0609	0.48%
EURINR	88.02	87.69	0.38%
GBPUSD	1.2170	1.2108	0.51%
GBPINR	100.45	100.03	0.42%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.354	7.352	0.002
US	3.436	3.579	-0.143
UK	2.381	3.400	-1.019
Japan	0.285	0.289	-0.004
Germany	2.115	2.288	-0.173

## Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	8251.77	8085.07	166.7
Debt	308.54	353.25	-44.71
Net			121.99

- The Euro extended its gain after eurozone inflation numbers remained sticky near 8.5%. Further, eurozone Q4 labour costs rose a record 5.7% YoY. Further, hawkish comments from several ECB policy makers supported the pair. They expect the ECB to rise interest rates again to curb the inflation
- The Euro is expected to trade on a bullish note amid weakness in the dollar. Further expectation of better trade balance numbers would also support the pair to stick to its gains. The pair is hovering above the mid Bollinger band support at 1.062, which could act as key support to Euro and help it to rise towards the higher band at 1.072. EURINR (March) is likely to hold the support of 20 day EMA at 87.50 and rise back towards 88.60
- The pound traded on a firmer note towards the end of the week despite evident risk aversion among investors. Meanwhile the decline in the US dollar supported the pair to trade above the 1.215 mark
- The pound is expected to trade in the range of 1.21-1.2210 with a bullish bias amid weakness in dollar. The pair is still hovering in between the mid and higher range of the Bollinger band channel suggesting bull case. Hence, as long as 1.21 holds, the pair is likely to move towards 1.2210-1.2230. GBPINR (March) holds key support of 100.00. As long as it trades above 100.00 then it is likely rally towards 100.65-101.00

# Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
German PPI m/m	Europe	12:30 PM	-	-1.30%	-1.00%	Medium
Trade Balance	Europe	3:30 PM	-	-17.3 B	-18.1 B	Medium



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Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto:pankaj.pandey@icicisecurities.com)

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

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