

March 31, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Apr Futures	Buy	89.50	89.85	89.30	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

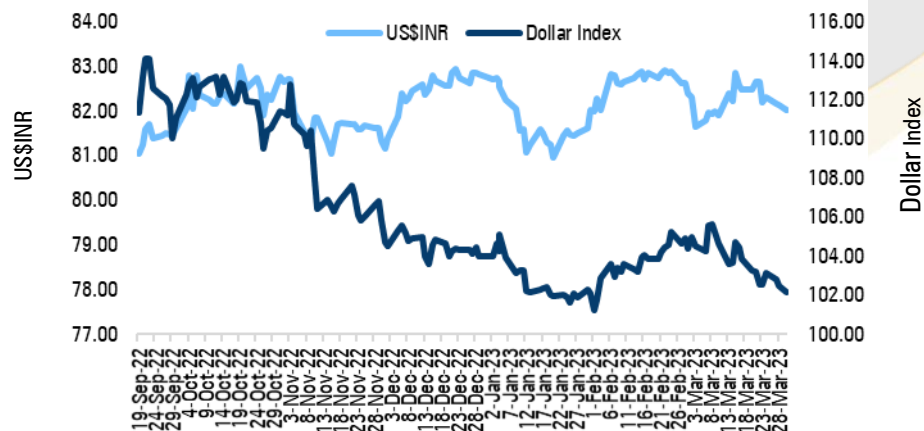
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	82.43	0.13%	3779806	-35677	2224980	-72235
EURINR (26th Apr)	89.56	0.39%	170153	17338	168655	-5979
GBPINR (26th Apr)	101.76	0.38%	213079	32941	173195	-64835

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	82.26	82.35	82.42	82.50	82.58
US\$INR (May)	82.43	82.50	82.57	82.65	82.72
EURINR (Apr)	89.14	89.35	89.50	89.71	89.86
EURINR (May)	89.38	89.56	89.68	89.87	89.98
GBPINR (Apr)	101.22	101.49	101.67	101.94	102.12
GBPINR (May)	101.41	101.66	101.82	102.07	102.24
JPYINR (Apr)	62.52	62.64	62.79	62.91	63.05
JPYINR (May)	62.84	62.94	63.08	63.18	63.32

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar index slipped to its one week lows on Thursday as the key US GDP QoQ numbers fell to 2.6% against its previous reading of 2.7%. Further, a rise in weekly unemployment claims, suggests slightly weaker labour market. Moreover, a decline in longer-dated treasury yields also weighed over the dollar to slide towards the 102 mark
- Rupee future maturing on April 26 depreciated by 0.13% to 82.43 on Wednesday
- The US\$INR is likely to trade with a negative bias amid weakness in dollar and improved global risk sentiments. Further, expectation of decline in US core PCE price index (MoM) could also support the Fed to pause its rate hike regime. The pair US\$INR, has been hovering in between the lower and mid Bollinger band, suggesting weaker bias. The 20 day EMA at 82.35, would act as key resistance and weaken the dollar towards the lower band support at 81.90-81.74

EURINR Strategy

EURINR Apr futures contract (NSE)

Buy EURNR in the range of 89.48-89.50

Target: 89.85

Support: 89.30/89.10

Stoploss: 89.30

Resistance: 89.90/90.10

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Apr Futures	Buy	89.10	89.40	88.90	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
DX	102.17	102.64	-0.46%
US\$INR	92.06	82.16	12.05%
EURUSD	1.0904	1.0843	0.56%
EURINR	89.55	89.09	0.52%
GBPUSD	1.2384	1.2311	0.59%
GBPINR	101.68	101.16	0.51%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.296	7.321	-0.025
US	3.553	3.568	-0.015
UK	3.503	3.460	0.043
Japan	0.317	0.301	0.016
Germany	2.349	2.331	0.018

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7146.92	5200.07	1946.85
Debt	1225.09	634.37	590.72
Net			2537.57

- The Euro extended its gain on Thursday as German inflation data supported the pair to rise above the 1.09 mark. The inflation eased significantly in march on the back of lower energy price, but it was above the forecasted level of 0.7%. Additionally, reduced concerns in the banking sector has also strengthened the common currency
- The Euro is expected to trade on a bullish note amid weakness in the dollar and improved risk sentiments. Further, expectation of rise in core CPI Flash estimate in the eurozone could increase the pressure on the ECB to further tighten its monetary policy. The bullish crossover of 10 and 20 day EMA is going to favour the positive bias in the pair. Additionally, the support from the oscillator RSI would also help the pair to resume its gain towards 1.0950 mark. On the downside, 10 day EMA at 1.0830 holds key support for the pair. EURINR (April) is likely to hold the support of 10 day SMA near 89.10 and move towards the target resistance at 89.90
- The pound continued to trade higher as decline in the dollar and easing worries about a banking crisis revived investors' appetite
- The pound is expected to trade on a bullish note as it has been moving above the seven week high of 1.2340. The pair is still hovering between the mid and higher Bollinger band channel, which could support the pair to rise towards 1.2450. GBPINR (April) is expected to move towards 101.90-102.00. Only a close above 102 would bring fresh buying interest in the pair and push it towards 102.50. On the downside 101.20 would act as key support

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
German Retail Sales m/m	Europe	11:30 AM	-	0.50%	-0.30%	Medium
Final GDP q/q	UK	11:30 AM	-	0.0%	0.0%	Medium
CPI Flash Estimate y/y	Europe	2:30 PM	-	7.10%	8.50%	Medium
Core PCE Price Index m/m	US	6:00 PM	-	0.40%	0.60%	High
Revised UoM Consumer Sentiment	US	7:30 PM	-	63.10	63.40	Medium



Pankaj Pandey

Head – Research

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

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