

April 3, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Apr Futures	Sell	82.32	82.05	82.50	1 day

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Rupee Outlook and Strategy

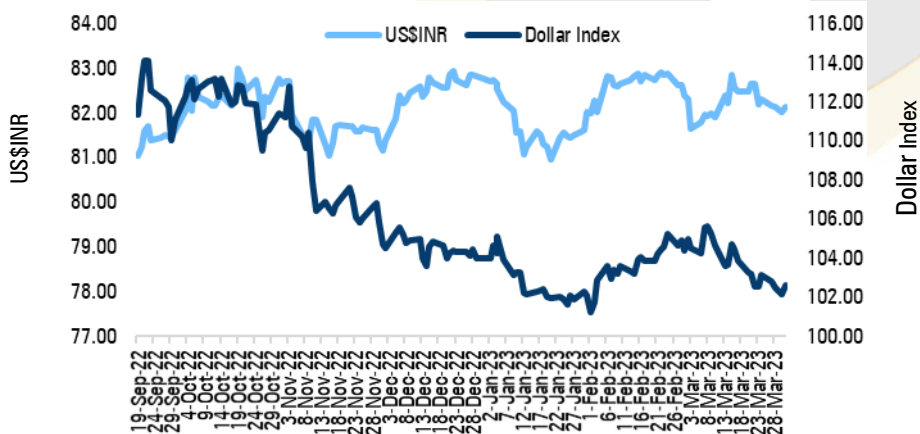
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	82.32	-0.14%	3686565	-93241	2144596	-80384
EURINR (26th Apr)	89.55	-0.01%	176927	6774	146127	-22528
GBPINR (26th Apr)	101.84	0.07%	226033	12954	174250	1055

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	82.13	82.22	82.30	82.40	82.48
US\$INR (May)	82.28	82.38	82.45	82.54	82.62
EURINR (Apr)	89.31	89.43	89.62	89.74	89.94
EURINR (May)	89.50	89.61	89.79	89.90	90.09
GBPINR (Apr)	101.52	101.68	101.84	102.00	102.16
GBPINR (May)	101.68	101.83	101.98	102.14	102.29
JPYINR (Apr)	61.71	61.89	62.10	62.27	62.48
JPYINR (May)	62.07	62.24	62.43	62.59	62.78

Dollar Index vs US\$INR



- The US dollar index bounced back from its week's low after sliding towards the key 102 level. However, a decline in US consumer spending growth index weighed on dollar to stay under 102.60 mark. The US 10 and two year treasury yields declined the most on Friday after key PCE numbers fell to 4.6% against the January reading of 4.7%
- Rupee future maturing on April 26 appreciated by 0.14% to 82.32 amid strong recovery in domestic equities
- The rupee is likely to trade with a positive bias amid improved global risk sentiments. Further, hopes of a less aggressive stance from the Fed towards higher interest rate would also check the upside in the dollar. The pair US\$INR, has been hovering below the key 20 day EMA at 82.35, suggesting a weaker bias. Hence, as long as it trades under 82.35 it is likely to move towards the initial support at 82.05. A move below 82.05 would lead to a further slide towards 81.84

US\$INR Strategy

USDINR Apr futures contract (NSE)

Sell USDINR in the range of 82.32-82.35

Target: 82.05

Support: 82.05/81.90

Stoploss: 89.50

Resistance: 82.35/82.50

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Apr Futures	Buy	89.50	89.85	89.30	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	102.59	102.17	0.41%
US\$INR	82.14	82.06	0.10%
EURUSD	1.0842	1.0904	-0.57%
EURINR	89.08	89.55	-0.52%
GBPUSD	1.2329	1.2384	-0.44%
GBPINR	101.31	101.68	-0.36%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.315	7.296	0.019
US	3.471	3.553	-0.082
UK	3.465	3.503	-0.038
Japan	0.335	0.317	0.018
Germany	2.283	2.349	-0.066

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9915.58	9080.33	835.25
Debt	1088.75	4992.48	-3903.73
Net			-3068.48

- The Euro declined by 0.57% on Friday as eurozone CPI numbers declined to 6.9% YoY against the forecast 7.1% YoY. In addition to that, weaker German unemployment numbers and retail sales growth also weighed on the Euro to move towards 1.084
- The Euro is expected to trade on a bullish note amid improved risk sentiments. However, expectation of weaker manufacturing PMI numbers in the eurozone could restrict it to go beyond 1.0930. The pair is still hovering above bullish crossover of 10 and 20 day EMA, which could support the bullish bias in the trend. Hence, the pair is expected to move in the range of 1.0808 (10 Day EMA) and 1.0930 with bullish bias. EURINR (April) is likely to hold the support of 10 day SMA near 88.80 and move towards the target resistance at 89.75
- The pound failed to capitalise on its earlier gains on Friday as a decline in house price index forced the pair to move towards 1.2330. Further, a rebound in the dollar also led to a correction in the pair
- The pound is expected to trade on a bullish note amid improved global risk sentiments. Meanwhile, expectation of a decline in manufacturing numbers could lead to a halt in the pair to go beyond 1.242. Key support for the pair exists near 1.2280. As long as it trades above 1.2280 it is likely to rise towards 1.2390-1.2400. GBPINR (April) is expected to move towards 101.90-102.00. On the downside, 101-100.80 would act as key support to the pair

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Final Manufacturing PMI	Europe	1:30 PM	-	47.1	47.1	Medium
Final Manufacturing PMI	UK	2:00 PM	-	48	48	Medium
ISM Manufacturing PMI	US	7:30 PM	-	47.5	47.7	High



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