

April 5, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	Apr Futures	Buy	89.90	90.20	89.70	1 day

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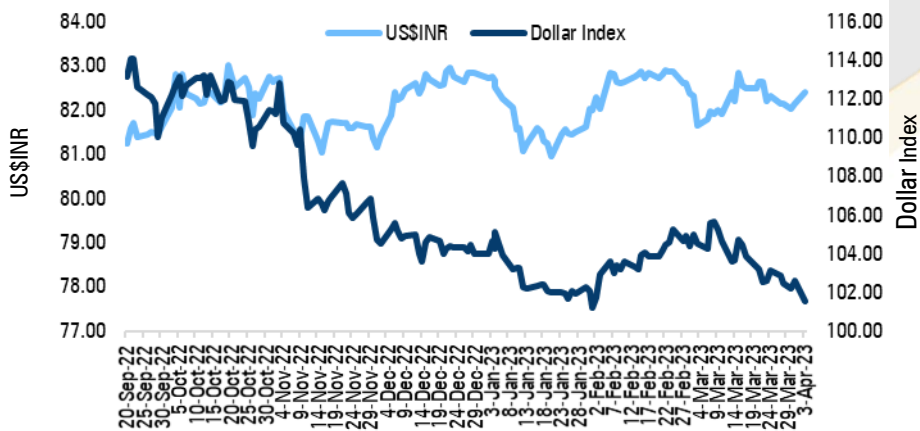
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	82.42	0.12%	3615403	-71162	2267308	122712
EURINR (26th Apr)	89.58	0.03%	163210	-13717	198943	52816
GBPINR (26th Apr)	101.87	0.03%	221506	-4527	221295	47045

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	82.27	82.35	82.47	82.54	82.66
US\$INR (May)	82.44	82.51	82.62	82.69	82.80
EURINR (Apr)	88.89	89.24	89.43	89.78	89.96
EURINR (May)	89.09	89.44	89.62	89.97	90.15
GBPINR (Apr)	100.94	101.42	101.68	102.16	102.42
GBPINR (May)	100.30	101.17	101.62	102.50	102.95
JPYINR (Apr)	61.84	62.00	62.10	62.26	62.36
JPYINR (May)	62.20	62.36	62.45	62.62	62.71

Dollar Index vs US\$INR



- The US dollar index declined on Tuesday amid a sharp decline in US treasury yields across the curve. Further, the dollar tumbled after data showed the number of job openings in the US fell by 632,000 to 9.9 million in February 2023, the lowest level since May 2021 and below market expectations of 10.4 million, signalling the labour market may have started cooling
- Rupee future maturing on April 26 depreciated by 0.12% to 82.42 on Monday amid surge in crude oil prices
- The rupee is likely to trade with a positive bias amid weakness in US dollar index. Dollar is hovering near two-month low as weak economic data from US reinforced expectations among investors that Fed may end its tightening cycle. US\$INR is expected to break key support level of 82.35 to trade in downward trend towards level of 82.25

EURINR Strategy

EURINR Apr futures contract (NSE)

Sell EURINR in the range of 89.90-89.92

Target: 90.20

Support: 89.70/89.60

Stoploss: 89.70

Resistance: 90.20/90.30

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	Apr Futures	Sell	82.32	82.05	82.50	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	101.57	102.04	-0.46%
USSINR	82.42	82.32	0.12%
EURUSD	1.0957	1.0895	0.57%
EURINR	89.58	89.55	0.03%
GBPUSD	1.2500	1.2410	0.73%
GBPINR	101.87	101.84	0.03%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.315	7.315	0
US	3.346	3.417	-0.071
UK	3.420	3.425	-0.005
Japan	0.413	0.369	0.044
Germany	2.250	2.257	-0.007

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	12995.37	10629.13	2366.24
Debt	2906.68	2859.65	47.03
Net			2413.27

- The Euro appreciated by more than 0.50% on Tuesday amid weakness in the US dollar. Further, the Euro was supported after data showed German's trade surplus was at €16 billion in February 2023, little-changed from the previous month and below market expectations of €17 billion. Still, it was the largest trade surplus since July 2021, as exports grew the most in 10 months to a record-high
- The Euro is expected to trade on a bullish note amid soft dollar. Meanwhile, sharp upside may be restricted as German factory orders are expected to drop from 1.00% to 0.3%. EURUSD is likely to surpass the hurdle of 1.1000 to continue its upward trend towards the level of 1.1030. EURINR is expected to trade in upward trend towards the level of 90.20
- The pound edged higher by more than 0.70% on Tuesday on the back of weak US dollar index. Further, the pound was supported after Bank of England (BoE) Chief Economist Huw Pill said Britain's central bank still cannot be sure that it has raised interest rates enough to tame inflation
- The pound is expected to trade on a bullish note amid weakness in the US dollar and as central banks chief economist left the door open for more rate hikes. Meanwhile, sharp upside may prevented on decline in UK 10 year's bond yields. Additionally, composite PMI and services PMI data from the Britain is expected to remain unchanged. GBPUSD is likely to trade in upward trend towards the level of 1.2600. GBPINR is expected to trade towards the level of 103

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Nikkei Services PMI (Mar)	India	10:30 AM	-	58.3	59.4	Medium
German Factory Orders (MoM) (Feb)	Europe	11:30 AM	-	0.30%	1.00%	Medium
German Services PMI (Mar)	Europe	1:25 PM	-	53.9	53.9	Medium
Composite PMI (Mar)	UK	2:00 PM	-	52.2	52.2	High
Services PMI (Mar)	UK	2:00 PM	-	52.80	52.80	High
ADP Nonfarm Employment Change (Mar)	US	5:45 PM	-	200K	242K	High
Trade Balance (Feb)	US	7:15 PM	-	-69.00B	-68.30B	Medium
Services PMI (Mar)	US	7:15 PM	-	53.8	53.8	Medium
ISM Non-Manufacturing PMI (Mar)	US	7:30 PM	-	54.5	55.1	High



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