April 18, 2023

Daily Currency Outlook

Daily Recommendation

Curreny Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	Apr Futures	Buy	82.05	82.25	81.92	1 day

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Rupee Outlook and Strategy

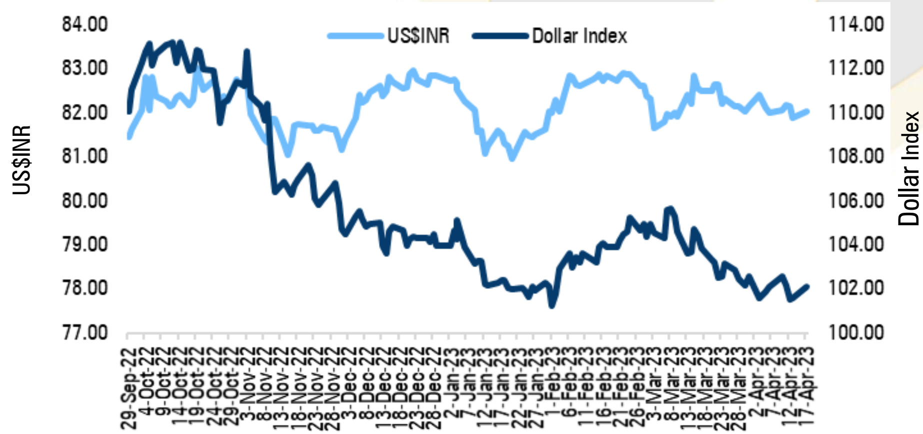
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	82.04	0.16%	2932353	-144852	1830857	-272884
EURINR (26th Apr)	90.06	-0.16%	171160	-10720	141527	-9216
GBPINR (26th Apr)	101.81	-0.61%	165811	-36307	222635	76407

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US$INR (Apr)	81.83	81.93	82.00	82.10	82.17
US$INR (May)	81.92	82.05	82.17	82.30	82.42
EURINR (Apr)	89.80	89.92	90.03	90.15	90.26
EURINR (May)	90.05	90.16	90.27	90.38	90.49
GBPINR (Apr)	101.08	101.44	101.82	102.18	102.56
GBPINR (May)	101.44	101.70	101.92	102.18	102.41
JPYINR (Apr)	61.08	61.20	61.32	61.44	61.57
JPYINR (May)	61.38	61.53	61.65	61.80	61.92

Dollar Index vs US$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar edged higher by more than 0.50% on Monday after data showed New York state factory activity in April increased for the first time in five months, reinforcing expectations that the Federal Reserve will raise interest rates in the May meeting. Further, the dollar gained on a surge in US treasury yields across curve
- Rupee future maturing on April 26 depreciated by 0.16% on Monday amid a strong US dollar and sharp drop in domestic equity markets
- The rupee is likely to trade with a negative bias amid a strong US dollar. Meanwhile, investors will closely watch housing data from the US to gauge the economic health of the country, which may provide more cues on Fed interest rate path. US$INR is expected to break the key resistance level of 9 DMA at 82.13 to continue its upward trend towards the level of 82.25 in the coming trading session

US$INR Strategy

USDINR Apr futures contract (NSE)	
Buy USDINR in the range of 82.03-82.05	
Target: 82.25	Stoploss: 81.92
Support: 81.95/81.80	Resistance: 82.25/82.40

Follow-up

Curreny Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	Apr Futures	Sell	102.40	102.20	102.53	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.

Euro and Pound Outlook

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	102.10	101.58	0.51%
US$INR	82.04	81.90	0.17%
EURUSD	1.0923	1.0993	-0.64%
EURINR	90.06	90.21	-0.17%
GBPUSD	1.2476	1.2412	0.52%
GBPINR	101.81	102.44	-0.61%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.247	7.213	0.034
US	3.602	3.396	0.206
UK	3.698	3.652	0.046
Japan	0.478	0.466	0.012
Germany	2.481	2.433	0.048

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	8431.65	7627.3	804.35
Debt	1480.26	717.18	763.08
Net			1567.43

- The Euro continued to drop yesterday amid a rise in the US dollar. Further, the Euro was pressurised after data showed the annual inflation rate in Italy fell to 7.6% in March 2023 from 9.1% in the previous month, the lowest since May 2022 and revised lower from the preliminary estimate of 7.7%. Meanwhile, further downside was prevented on a rise in German 10 years bond yields

- The Euro is expected to trade on a bearish note amid a strong US dollar. Meanwhile, sharp downside may be restricted as German ZEW economic sentiment data is expected to rise from 13 to 15.3. EURINR is likely to face strong resistance near 90.20, as long as it sustains below this level pair may slip till 89.75 levels

- The pound depreciated nearly 0.30% on Monday ahead of a busy week of economic data that will set the tone for the Bank of England's next meeting. Meanwhile, further downside was restricted on a rise in UK 10 year’s bond yields

- The pound is expected to trade with a negative bias amid stronger US dollar. Further, traders will focus on jobs data from Britain, which is expected to show weakness and that can pressurise BoE to stop the interest rate hikes. GBPINR is likely to break the key support level of 101.60 to continue its downward trend towards the level of 101.30

Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Claimant Count Change (Mar)	UK	11:30 AM	-	10.2K	-11.2K	High
Unemployment Rate (Feb)	UK	11:30 AM	-	3.70%	3.70%	Medium
Average Earnings Index +Bonus (Feb)	UK	11:30 AM	-	5.10%	5.70%	High
German ZEW Economic Sentiment (Apr)	Europe	2:30 PM	-	15.1	13	High
Building Permits (Mar)	US	6:00 PM	-	1.450M	1.550M	High
Housing Starts (Mar)	US	6:00 PM	-	1.400M	1.450M	Medium

Source: Bloomberg, Reuters, ICICI Direct Research

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