

April 21, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	Apr Futures	Buy	102.20	102.50	102.00	1 day

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Rupee Outlook and Strategy

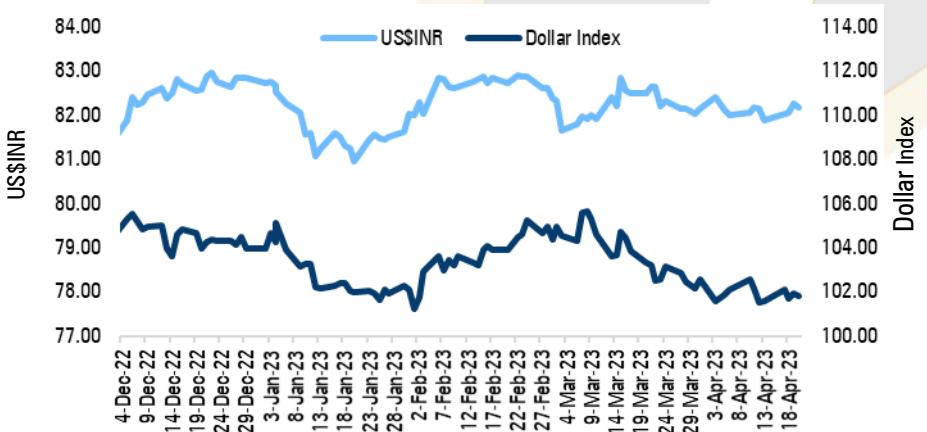
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	82.17	-0.11%	2753265	-95668	1611742	-593052
EURINR (26th Apr)	90.12	0.27%	159830	736	132986	-54470
GBPINR (26th Apr)	102.21	0.20%	180442	-271	142491	-143865

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	82.02	82.09	82.21	82.28	82.39
US\$INR (May)	82.19	82.24	82.32	82.37	82.45
EURINR (Apr)	89.91	90.01	90.09	90.19	90.26
EURINR (May)	90.17	90.26	90.33	90.42	90.48
GBPINR (Apr)	101.98	102.10	102.18	102.30	102.39
GBPINR (May)	102.17	102.27	102.35	102.46	102.53
JPYINR (Apr)	60.94	61.04	61.12	61.21	61.30
JPYINR (May)	61.34	61.43	61.51	61.60	61.68

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar edged down by 0.14% on Thursday amid weaker than expected US pending home sales and initial jobless claims, which reinforced expectations that the world's largest economy is likely headed toward recession
- Rupee future maturing on April 26 appreciated by 0.10% on Thursday amid a weak US dollar and drop in crude oil prices
- The rupee is likely to trade with a positive bias amid weakness in the US dollar and sharp drop in crude oil prices. US\$INR is likely to continue its downward trend towards the level of 81.98

GBPINR Strategy

GBPINR Apr futures contract (NSE)

Buy GBPINR in the range of 102.20-102.22

Target: 102.50

Support: 102.00/101.90

Stoploss: 102.00

Resistance: 102.50/102.60

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	Apr Futures	Buy	101.00	101.40	100.75	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	101.79	101.94	-0.15%
US\$INR	82.17	82.26	-0.11%
EURUSD	1.0965	1.0953	0.11%
EURINR	90.12	89.88	0.27%
GBPUSD	1.2443	1.2439	0.03%
GBPINR	102.21	102.01	0.20%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.220	7.227	-0.007
US	3.534	3.595	-0.061
UK	3.747	3.852	-0.105
Japan	0.470	0.471	-0.001
Germany	2.448	2.502	-0.054

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	7968.49	7798.95	169.54
Debt	889.53	903.6	-14.07
Net			155.47

- The Euro appreciated by 0.10% yesterday amid a drop in the US dollar. Further, the Euro was supported after ECB President Christine Lagarde said eurozone inflation is too high and the monetary policy still has a bit of way to go to bring back inflation towards its 2% goal. Meanwhile, a decline in producer price inflation in Germany helped to restrict the upward move. The PPI declined to -2.60% in March from -0.30% in February 2023
- The Euro is expected to trade on a bullish note amid a softer US dollar. Furthermore, the Euro may gain on expectations that German manufacturing PMI data is likely to rise from 44.7 to 45.7. EURINR is likely to break the key resistance level of 90.21 to continue its upward trend toward the level of 90.40
- The pound rose marginally by 0.03% on Thursday amid weakness in the US dollar. Meanwhile, sharp upside was capped as British inflation is proving far more obstinate than expected and is far higher than anywhere else in Western Europe, underscoring the threat to an already fragile economy.
- The pound is expected to trade with a positive bias amid weak US dollar. GBPINR is expected to surpass the immediate hurdle of 102.28 to continue its upward trend towards the level of 102.40

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Retail Sales (MoM) (Mar)	UK	11:30 AM	-	-0.50%	1.20%	High
German Manufacturing PMI (Apr)	Europe	1:00 PM	-	45.7	44.7	High
German Services PMI (Apr)	Europe	1:00 PM	-	53.3	53.7	High
Manufacturing PMI	UK	2:00 PM	-	48.5	47.9	High
Services PMI	UK	2:00 PM	-	53	52.9	High
Composite PMI	UK	2:00 PM	-	52.6	52.2	High
Manufacturing PMI (Apr)	US	7:15 PM	-	49	49.2	High
Services PMI (Apr)	US	7:15 PM	-	51.5	52.6	High



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