

May 30, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	June Futures	Sell	82.72	82.55	82.88	1 day

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Rupee Outlook and Strategy

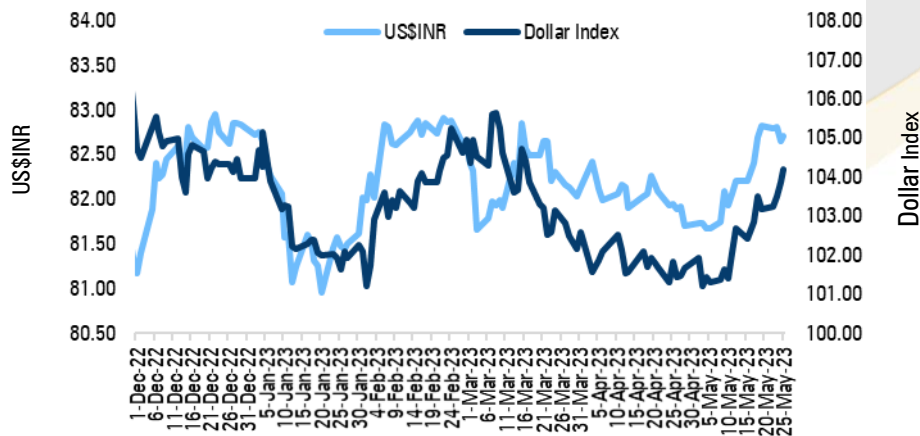
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th June)	82.72	0.03%	2616452	235815	2700012	430855
EURINR (27th June)	88.80	-0.21%	122523	25562	136573	-12044
GBPINR (27th June)	102.14	-0.27%	149738	40261	210450	-3064

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	82.53	82.62	82.70	82.79	82.86
US\$INR (July)	82.64	82.73	82.80	82.89	82.95
EURINR (Jun)	88.63	88.72	88.86	88.94	89.08
EURINR (July)	88.85	88.92	89.02	89.08	89.19
GBPINR (Jun)	101.96	102.05	102.17	102.25	102.37
GBPINR (July)	102.12	102.19	102.30	102.37	102.47
JPYINR (Jun)	59.04	59.19	59.29	59.45	59.55
JPYINR (July)	59.43	59.61	59.75	59.93	60.08

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar index paused in its rally and steadied near 104.20 as a US debt ceiling deal lifted risk appetite in the world markets and dented the safe haven appeal of the dollar. However, the dollar remained calm yesterday amid a US bank holiday
- Rupee future maturing on June 27 depreciated by 0.03% on Monday
- The rupee is likely to appreciate amid softness in the dollar and rise in risk appetite in global markets. The progress in the US debt ceiling would dent the safe haven buying in the dollar. Further, expectation of a drop in US CB consumer confidence numbers could also hurt the dollar. The US\$INR pair could face a hurdle near 82.80 and move towards 82.40. Only a close below 82.40 would lead to a slide towards 82.30

US\$INR Strategy

USDINR June futures contract (NSE)

Sell USDINR in the range of 82.72-82.73

Target: 82.55

Support: 82.55/82.45

Stop Loss: 82.88

82.90/83.05

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	June Futures	Sell	82.76	82.55	82.90	Profit Booked

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	104.26	104.22	0.04%
US\$INR	82.57	82.55	0.02%
EURUSD	1.0717	1.0722	-0.05%
EURINR	88.54	88.54	0.00%
GBPUSD	1.2350	1.2340	0.08%
GBPINR	102.05	101.89	0.16%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.024	7.003	0.021
US	3.767	3.810	-0.043
UK	4.328	4.328	0
Japan	0.427	0.410	0.017
Germany	2.434	2.536	-0.102

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	8530.83	6741.31	1789.52
Debt	851.34	441.46	409.88
Net			2199.4

- The Euro held its ground near its lowest level 1.0710 yesterday as most of the markets remained closed. The weaker set of economic numbers from Germany last week have weakened the pair. Further, hawkish comments from ECB policymakers have supported the pair to hold its ground
- The Euro is likely to hold the key support near 1.070 and move towards its 10 day EMA at 1.0770 amid improved global risk sentiments and soft dollar. EURINR is likely to hold the key support near 88.50 and rebound towards 89.20
- The pound also traded in a sideways trend as the UK remained closed on Monday. The pair holds the key support of 1.230 and inched towards 1.260 amid improved risk sentiments and better than expected BRC shop price index numbers
- The pound is expected to gain its strength and rise back towards 1.24 amid softness in dollar and optimistic global market sentiments. GBPUSD is likely to hold the support of the lower Bollinger band near 1.2310 and move back towards 10 day EMA at 1.24. GBPINR could find support near 101.80 and inch higher towards 102.50

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
S&P/CS Composite-20 HPI y/y	US	6:30 PM	-	-1.70%	0.40%	Medium
CB Consumer Confidence	US	7:30 PM	-	99.10	101.30	High



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