

June 2, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	June Futures	Sell	82.44	82.20	82.60	1 day

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Rupee Outlook and Strategy

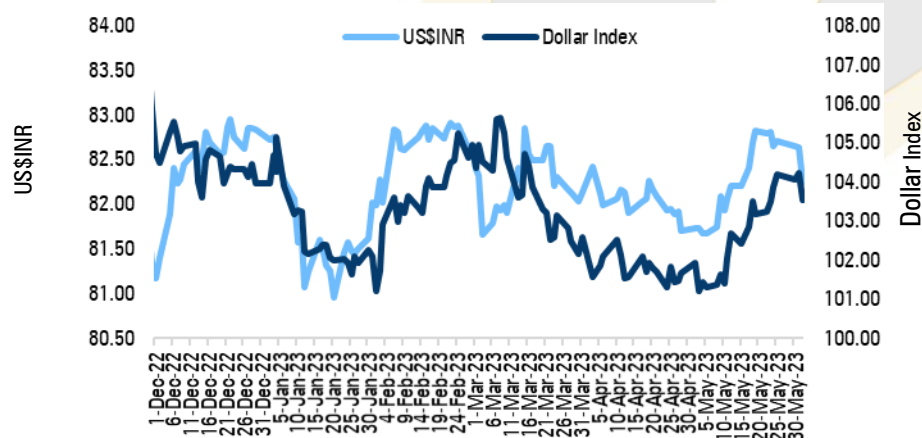
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th June)	82.50	-0.40%	2552012	-89123	2756136	883851
EURINR (27th June)	88.50	-0.11%	115591	5531	136903	-36965
GBPINR (27th June)	102.84	0.38%	223251	52971	240351	25430

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	82.22	82.36	82.57	82.71	82.93
US\$INR (July)	82.39	82.50	82.65	82.76	82.91
EURINR (Jun)	88.11	88.30	88.41	88.61	88.72
EURINR (July)	88.33	88.52	88.63	88.81	88.92
GBPINR (Jun)	102.26	102.55	102.72	103.02	103.19
GBPINR (July)	102.41	102.69	102.85	103.12	103.28
JPYINR (Jun)	59.24	59.35	59.45	59.56	59.66
JPYINR (July)	59.63	59.76	59.88	60.01	60.13

Dollar Index vs US\$INR



- The US dollar index fell more than 0.50% on Thursday as weaker set of economic numbers and hawkish comments from Fed officials reinforced the expectation that Fed will take a pause in its rate hike regime. The US manufacturing contracted for the seven straight month as new orders continued to tumble.
- Rupee future maturing on June 27 appreciated by 0.40% amid softness in dollar and strong GDP numbers
- The rupee is likely to appreciate further amid rising bets of no hike in this month by Fed. The probability of no hike in June has increased to 74%. Furthermore, Non-farm payrolls data is expected to show labour market cooled through may giving Fed more incentive to hold rates steady. The US\$INR pair is expected to dip towards 82.10 as long as it trades below the 82.50 mark.

US\$INR Strategy

USDINR June futures contract (NSE)

Sell USDINR in the range of 82.44-82.45

Target: 82.20

Support: 82.20/82.10

Stop Loss: 82.60

82.50/82.60

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	June Futures	Sell	82.78	82.55	82.92	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
DX	103.56	104.22	-0.63%
US\$INR	82.25	82.64	-0.47%
EURUSD	1.0760	1.0688	0.67%
EURINR	88.53	88.38	0.17%
GBPUSD	1.2523	1.2437	0.69%
GBPINR	102.99	102.79	0.19%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.979	6.989	-0.01
US	3.601	3.645	-0.044
UK	4.125	4.179	-0.054
Japan	0.424	0.430	-0.006
Germany	2.246	2.285	-0.039

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	62691.17	58853.68	3837.49
Debt	1201.77	1306.12	-104.35
Net			3733.14

- The Euro bounced back from its two-month's low, after the Eurozone inflation numbers eased to 6.1% in May from 7.% in April. The inflation numbers are still three time higher than the ECB's inflation target. Meanwhile, hawkish comments from the ECB president to increase the rates has supported the recovery in the Euro
- The Euro is likely to extend its gains amid softness in dollar. Further rising probability of 0.25 bps hike in interest rates by ECB in its June meeting would push the pair towards 1.08. EURINR is likely to hold the key support near 88.20 and rebound towards 89.00
- The pound gained the most by 0.69% on Thursday amid weakness in dollar and optimism in global equities. Further, improvement in Nationwide HPI in May has also supported the pair to went past 1.25 mark
- The pound is expected to hold its gains and rise towards 1.2570 amid softness in the dollar and rise in risk appetite in global market. GBPUSD is likely to hold the support of 20 day EMA at 1.2480 and move back towards 1.2570. GBPINR could find support near 102.800 and inch higher towards 103.50.

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Average Hourly Earnings m/m	US	6:00 PM	-	0.00	0.01	High
Non-Farm Employment Change	US	6:00 PM	-	193K	253K	High
Unemployment Rate	US	6:00 PM	-	3.50%	3.40%	High



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