June 5, 2023

Daily Currency Outlook

Daily Recommendation

Curreny Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	June Futures	Sell	102.60	102.30	102.75	1 day

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Rupee Outlook and Strategy

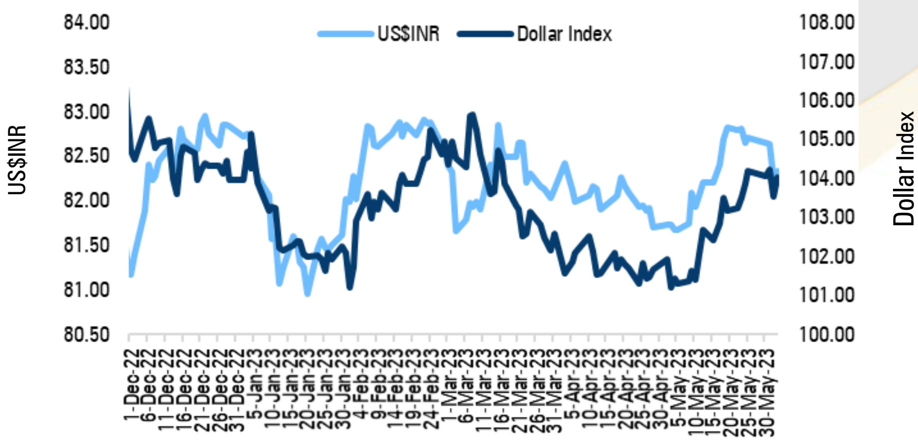
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th June)	82.40	-0.12%	2648250	96238	2251261	-504875
EURINR (27th June)	88.79	0.33%	115536	-55	110320	-26583
GBPINR (27th June)	103.19	0.34%	270416	47165	194021	-46330

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US$INR (Jun)	82.29	82.35	82.40	82.46	82.51
US$INR (July)	82.39	82.45	82.51	82.56	82.62
EURINR (Jun)	88.62	88.71	88.79	88.87	88.95
EURINR (July)	88.82	88.90	88.98	89.07	89.15
GBPINR (Jun)	103.03	103.11	103.20	103.28	103.37
GBPINR (July)	102.97	103.13	103.27	103.43	103.57
JPYINR (Jun)	59.46	59.53	59.62	59.69	59.78
JPYINR (July)	59.90	59.97	60.04	60.11	60.18

Dollar Index vs US$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar index reversed its losses from its one-week low amid a rise in treasury yields. Larger-than-expected gain in US non farm payroll numbers has supported the dollar to rise back towards 104 mark. Last month US payroll numbers had increased to 339,000, better than expectation of 195,000. Meanwhile, May unemployment rate increased to 3.7% above expectation of 3.5%
- Rupee future maturing on June 27 appreciated by 0.12% amid softness in dollar
- The rupee is likely to halt its gains amid strong dollar and rising crude oil prices. Further, expectation of improvement in US ISM Service PMI numbers could provide some support to the dollar. Meanwhile, the probability of no hike in June has increased above 75%, which could restrict more upside in the dollar. The US$INR pair is expected to hold the support near 82.20 and rise back towards 82.50

GBPNR Strategy

GBPINR June futures contract (NSE)	
Sell GBPINR in the range of 102.60-102.62	
Target:102.30	Stop Loss: 102.75
Support: 102.30/102.00	102.75/102.90

Follow-up

Curreny Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	June Futures	Sell	82.44	82.20	82.60	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.

Euro and Pound Outlook

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.04	103.56	0.46%
US$INR	82.38	82.25	0.16%
EURUSD	1.0706	1.0760	-0.50%
EURINR	88.24	88.53	-0.33%
GBPUSD	1.2447	1.2523	-0.61%
GBPINR	102.55	102.99	-0.43%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.984	6.979	0.005
US	3.696	3.601	0.095
UK	4.153	4.125	0.028
Japan	0.411	0.424	-0.013
Germany	2.313	2.246	0.067

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	11799.13	9147.15	2651.98
Debt	1215.89	1184.47	31.42
Net			2683.4

- The Euro fell back from its one week high and closed with a loss of almost 0.50% on Friday amid strong recovery in the dollar. Earlier, the pair moved above the 1.0750 mark on hawkish comments from ECB Governing council members

- The Euro is likely to trade with a weaker bias amid firm dollar and expectation of disappointing economic numbers from Euro zone. The Euro zone Sentix investor confidence is expected to weaken towards its Jan months low. Further, softness in the PPI numbers could also hurt the pair. EUR is expected to face the resistance of 10 day EMA near 1.0740 and weaken towards 1.0660. EURINR is likely to slid towards 88.00 as long as it trades below 88.80

- The pound wiped its gains on Friday amid strong dollar. The pair lost more than 0.50% on Friday and moved below the 1.2450 mark after testing one week high at 1.2544

- The pound is expected to trade under pressure and slid towards 1.24 amid firm dollar. The pair is trading below the key 20 day EMA at 1.2450, which could act as key hurdle for the day. GBPINR is likely to slide towards 102.20, as long as it trades under the 20 day EMA at 102.80

Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Sentix Investor Confidence	Europe	2:00 PM	-	-15.200	-13.100	Medium
PPI m/m	Europe	2:30 PM	-	-3.0%	-1.6%	Medium
ISM Services PMI	US	7:30 PM	-	52.60	51.90	High

Source: Bloomberg, Reuters, ICICI Direct Research

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