

June 6, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	June Futures	Sell	82.70	82.40	82.84	1 day

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Rupee Outlook and Strategy

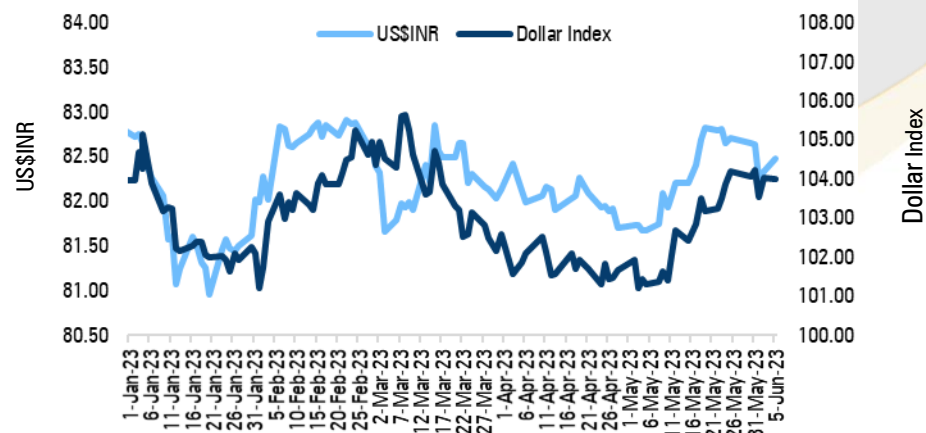
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th June)	82.72	0.39%	2908509	260259	2102648	-148613
EURINR (27th June)	88.56	-0.26%	103162	-12374	123076	12756
GBPINR (27th June)	102.50	-0.67%	188170	-82246	292420	98399

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	82.29	82.51	82.63	82.85	82.97
US\$INR (July)	82.50	82.66	82.75	82.92	83.01
EURINR (Jun)	88.32	88.44	88.53	88.65	88.73
EURINR (July)	88.53	88.65	88.73	88.85	88.93
GBPINR (Jun)	102.26	102.38	102.58	102.69	102.89
GBPINR (July)	102.34	102.48	102.74	102.88	103.14
JPYINR (Jun)	59.07	59.17	59.25	59.35	59.43
JPYINR (July)	59.57	59.65	59.70	59.78	59.84

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar index retreated to 104 level after climbing as high as 104.40 on Monday, amid weaker set of economic numbers. The US ISM service PMI slid to a five-month low of 50.3, lower than expectations of an increase to 52.4. US April factory orders rose 0.4% MoM, softer than expectation of 0.8% MoM. The set of disappointing economic numbers reinforced bets that the US Federal Reserve will hit a pause button next week
- The rupee maturing on June 27 depreciated by 0.39% on Monday amid a strong dollar and rise in crude oil prices
- The rupee is likely to gain strength amid softness in the dollar and retreat in crude oil prices. Further growing probability of no hike in June could hurt the dollar. The US\$INR pair is expected to face a hurdle near 82.70 and move back towards 82.20. Only a close below 82.20 would weaken the pair towards 82.00

US\$INR Strategy

US\$INR June futures contract (NSE)

Sell USDINR in the range of 82.70-82.72

Target: 82.40

Support: 82.40/82.30

Stop Loss: 82.84

82.84/82.95

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
GBPINR	June Futures	Sell	102.60	102.30	102.75	SL Hit

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	103.99	104.04	-0.05%
US\$INR	82.49	82.38	0.13%
EURUSD	1.0712	1.0706	0.06%
EURINR	88.39	88.24	0.17%
GBPUSD	1.2436	1.2447	-0.09%
GBPINR	102.57	102.55	0.02%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.997	6.979	0.018
US	3.687	3.601	0.086
UK	4.219	4.125	0.094
Japan	0.433	0.424	0.009
Germany	2.386	2.246	0.14

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	11666.02	11022.87	643.15
Debt	512.62	192.71	319.91
Net			963.06

- The Euro marked moderate gains yesterday amid a soft dollar and hawkish comments from ECB officials. Gains in the pair were limited as the Eurozone June Sentix investor confidence fell to a five-month low and the S&P composite PMI for May was revised downward
- The Euro is likely to hold its gains amid softness in the dollar and expectation of improvement in key economic numbers. German factory orders are expected to expand by 2.7%. In addition to that, improvement in eurozone retail sales could also support the Euro to rise towards 1.0740. Euro is expected to hold the support of 200 day EMA near 1.0670 and move towards 1.740. EURINR is likely to hold the support near 88.30 and move back towards 88.80
- The pound managed to recover its losses on Monday amid improvement in final service PMI numbers but closed on a weaker note due to disappointing set of retail sales numbers
- The pound is expected to trim yesterday's losses and move upward amid softness in the dollar and expectation of better construction PMI numbers. The pair is likely to hold the support of 50 day EMA at 1.2380 and rise towards 1.250. A move above 1.2450 would bring fresh buying interest in the pair and push it towards 1.2480. GBPINR is likely to hold the support near 102.30 and move towards 103.00

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
German Factory Orders m/m	Europe	11:30 AM	-	2.7%	-10.7%	Medium
Construction PMI	UK	2:00 PM	-	50.9	51.1	Medium
Retail Sales m/m	Europe	2:30 PM	-	0.2%	-1.2%	Medium



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