June 8, 2023

Daily Currency Outlook

Daily Recommendation

Curreny Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	June Futures	Sell	82.74	82.45	82.85	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Rishikesh Lilawat
rishikesh.lilawat@icicisecurities.com

Anup Sahu
anup.sahu@icicisecurities.com

Rupee Outlook and Strategy

ICICI direct Research

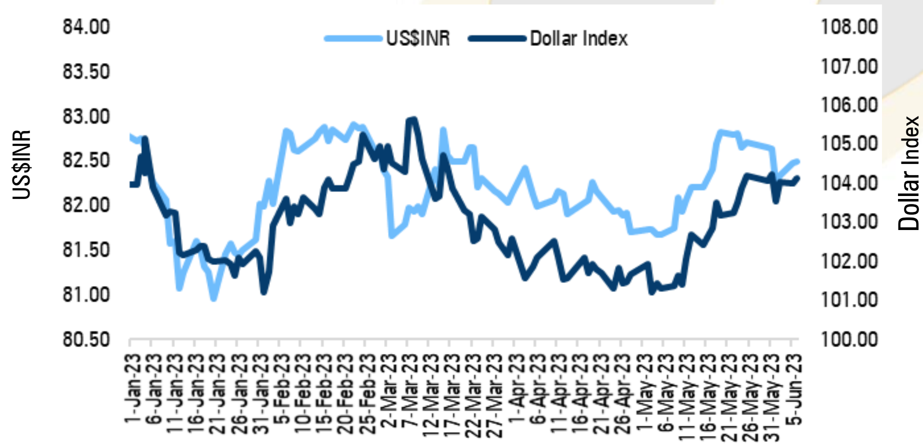
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th June)	82.58	-0.11%	2864094	-54847	2011665	402808
EURINR (27th June)	88.60	0.09%	110778	4315	145696	16896
GBPINR (27th June)	102.89	0.25%	229105	45099	253440	-15324

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US$INR (Jun)	82.47	82.53	82.59	82.64	82.70
US$INR (July)	82.58	82.63	82.68	82.73	82.79
EURINR (Jun)	88.17	88.38	88.50	88.72	88.84
EURINR (July)	88.37	88.58	88.70	88.91	89.02
GBPINR (Jun)	102.26	102.58	102.75	103.06	103.24
GBPINR (July)	102.41	102.71	102.87	103.17	103.33
JPYINR (Jun)	59.37	59.46	59.54	59.63	59.71
JPYINR (July)	59.78	59.89	59.99	60.10	60.20

Dollar Index vs US$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar index remained largely unchanged yesterday as investors stay cautious ahead of next week's key FOMC meeting. The rise in US treasury yields to a one-week high has provided some support to the dollar. Also, better-than-expected US trade balance numbers supported the dollar to stay above the 104 mark
- The rupee maturing on June 27 appreciated by 0.11% on Wednesday amid a soft dollar
- The rupee is likely to remain under pressure ahead of key RBI policy due today, where the central bank is likely to keep rates unchanged. However, rising probability of no hike in June and expectation of disappointing weekly jobless claims data from the US could hurt the dollar. US$INR is expected to face a hurdle near 82.80 and move back towards 82.40. Only a close below 82.40 would weaken the pair towards 82.20

US$NR Strategy

US$INR June futures contract (NSE)	
Sell USDINR in the range of 82.74-82.75	
Target:82.45	Stop Loss: 82.85
Support: 82.40/82.30	82.85/82.95

Follow-up

Curreny Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	June Futures	Sell	82.74	82.45	82.85	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	104.13	103.99	0.13%
US$INR	82.49	82.49	0.00%
EURUSD	1.0695	1.0712	-0.16%
EURINR	88.25	88.39	-0.16%
GBPUSD	1.2423	1.2436	-0.10%
GBPINR	102.48	102.57	-0.09%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	6.977	6.997	-0.02
US	3.677	3.687	-0.01
UK	4.193	4.219	-0.026
Japan	0.420	0.433	-0.013
Germany	2.369	2.386	-0.017

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9479.85	8368.44	1111.41
Debt	820.37	807.6	12.77
Net			1124.18

- The Euro remained under pressure on Wednesday amid a weaker set of economic numbers. German industrial production rose 0.3% MoM, weaker than expectation of gain by 0.7% MoM. Meanwhile, hawkish comments from the ECB helped the common currency to stay close to the 1.07 mark

- The Euro is likely to hold its ground and bounce back towards 1.0730 on expectations of an improvement in key economic numbers and a soft dollar. Further, expectation of a rise in interest rate by the ECB could also support the pair. The Euro is expected to hold support of 200 day EMA near 1.0670 and move towards 1.0730. EURINR is likely to hold the support near 88.30 and move back towards 88.80

- The pound edged lower on Wednesday amid weakness in key economic numbers from the UK and a firm dollar. The Halifax house price index remains unchanged against expectation of growth by 0.2%

- The pound is expected to consolidate in the range of 1.240-1.2480. The pair could find support near the 50 day EMA at 1.24. Only a move above 1.2480 would bring fresh buying interest in the pair and push it towards 1.2520. GBPINR is likely to consolidate in the range of 102.40-103.00

Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
RBI Interest Rate Decision	India	10:00 AM	-	6.5%	6.5%	High
Final Employment Change q/q	Europe	2:30 PM	-	0.6%	0.6%	Medium
Revised GDP q/q	UK	2:30 PM	-	0.0%	0.1%	Medium
Unemployment Claims	US	6:00 PM	-	236k	232k	High

Source: Bloomberg, Reuters, ICICI Direct Research

Pankaj Pandey Head – Research pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,

ICICI Securities Limited,

Third Floor, Brillanto House,

Road No 13, MIDC,

Andheri (East)

Mumbai – 400 093

research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Anoop Goyal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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