

June 9, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	June Futures	Sell	82.60	82.35	82.75	1 day

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Rupee Outlook and Strategy

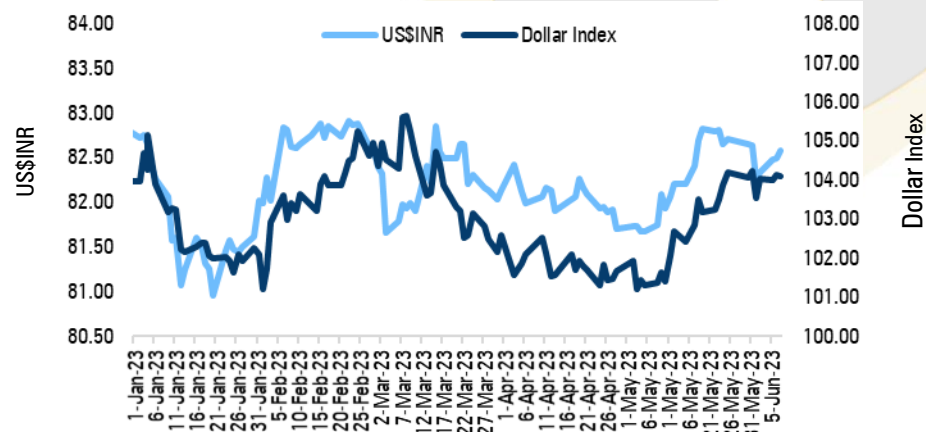
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th June)	82.61	0.03%	2753903	-110191	1474952	-536713
EURINR (27th June)	88.71	0.12%	106899	-3879	119541	-26155
GBPINR (27th June)	102.92	0.03%	247823	18718	139553	-113887

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	82.54	82.57	82.62	82.66	82.70
US\$INR (July)	82.64	82.67	82.72	82.75	82.80
EURINR (Jun)	88.41	88.56	88.65	88.80	88.89
EURINR (July)	88.62	88.77	88.85	89.00	89.08
GBPINR (Jun)	102.68	102.80	102.91	103.04	103.15
GBPINR (July)	102.80	102.91	103.03	103.14	103.25
JPYINR (Jun)	59.27	59.34	59.39	59.46	59.51
JPYINR (July)	59.71	59.77	59.83	59.90	59.96

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- US dollar index tumbled to its two weeks low amid a sharp jump in US weekly jobless claims numbers. Jobless claims hit a 19-month high last week and knocked treasury yields lower. Two year treasury yields fell to 4.5%. Also, anticipation of the Fed pausing its rate hike path in next week's FOMC meeting weighed on the dollar
- The rupee maturing on June 27 depreciated by 0.03% on Thursday after the RBI left rates unchanged for a second time in a row
- The rupee is likely to gain amid weakness in the dollar. Data from US showed the labour market was slowing, bolstering expectations that US Fed may pause rate hikes in its meeting next week. As per CME FedWatch toll, the market is pricing a 75% chance of Fed hitting the pause button in upcoming meeting. US\$INR is expected to face a hurdle near 82.70 and move back towards 82.30. Only a close below 82.30 would weaken the pair towards 82.10

US\$NR Strategy

US\$INR June futures contract (NSE)

Sell USDINR in the range of 82.60-82.62

Target: 82.35

Stop Loss: 82.75

Support: 82.30/82.20

82.75/82.90

Follow-up

Currency 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.

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DX	103.32	104.11	-0.76%
US\$INR	82.48	82.59	-0.13%
EURUSD	1.0782	1.0698	0.78%
EURINR	88.95	88.47	0.55%
GBPUSD	1.2560	1.2437	0.99%
GBPINR	103.57	102.78	0.76%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.021	6.982	0.039
US	3.720	3.793	-0.073
UK	4.245	4.258	-0.013
Japan	0.436	0.423	0.013
Germany	2.417	2.455	-0.038

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9609.15	8165.16	1443.99
Debt	377.1	227.92	149.18
Net			1593.17

- The Euro marked its best day in the last two weeks and jumped more than 0.75% amid weakness in dollar. Further, expectation of a 25 bps hike in the next ECB meeting has supported the pair to go past 1.0780. Meanwhile, the drop in revised GDP numbers to -0.1% QoQ from previously reported unchanged QoQ has checked its gains
- The Euro is likely to extend its rise amid weakness in the dollar. Further, divergence in the monetary policy would also support the pair. The Euro is expected to hold support of 20 day EMA near 1.0730 and move towards 1.0820. EURINR is likely to hold the support near 88.50 and move back towards 89.30
- The pound gained almost 1% on Thursday amid weakness in the dollar and increase in probability of rate hike in next policy. The forecast of higher inflation in Britain by OECD has fuelled the probability of more rate hikes in the region. The British two-year government bond yields hit on Thursday their highest level since last September
- The pound is expected to stay firm amid weakness in the dollar. Further, expectation of a 25 bps hike in the next BoE policy would also support the pair. The pair is expected to rise towards 1.260 as long as it holds above the 20 day EMA at 1.2460. GBPINR is likely to hold the support of 102.80 and move higher towards 103.70

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Italian Industrial Production m/m	Europe	1:30 PM	-	0.2%	-0.6%	Medium



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