

June 12, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	June Futures	Sell	82.58	82.30	82.74	1 day

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Rupee Outlook and Strategy

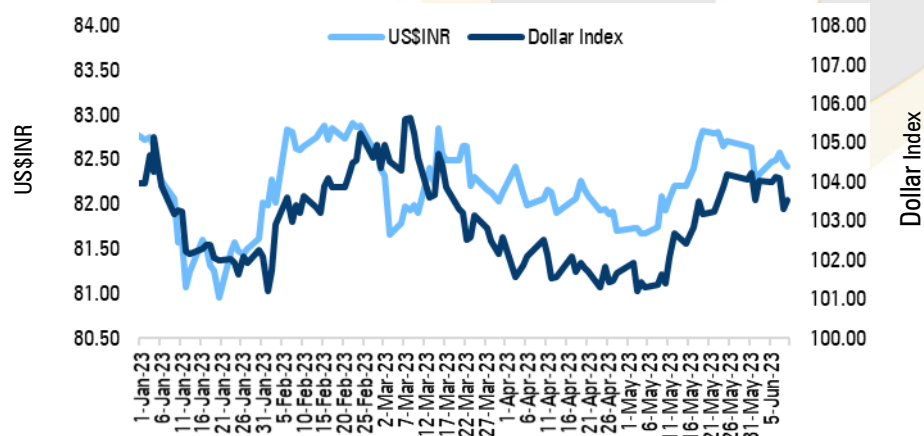
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th June)	82.52	-0.11%	2732626	-21277	1816948	341996
EURINR (27th June)	88.89	0.21%	111682	4783	135786	16245
GBPINR (27th June)	103.50	0.57%	343534	95711	325329	185776

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	82.35	82.44	82.54	82.63	82.74
US\$INR (July)	82.49	82.55	82.61	82.68	82.74
EURINR (Jun)	88.62	88.76	88.89	89.02	89.15
EURINR (July)	88.90	88.99	89.09	89.18	89.28
GBPINR (Jun)	103.19	103.34	103.46	103.62	103.73
GBPINR (July)	103.30	103.44	103.55	103.69	103.80
JPYINR (Jun)	59.23	59.32	59.43	59.52	59.63
JPYINR (July)	59.68	59.76	59.86	59.94	60.03

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- US dollar index bounced off two-weeks lows on Friday amid higher treasury yields. But the expectation of no hike in next FOMC meeting kept the upside checked in the dollar index to go beyond 103.65. Thursday's weak jobless claims numbers raised the bets that Fed will halt its rate hike regime
- The rupee maturing on June 27 appreciated by 0.11% on Friday due to soft dollar and fall in crude oil prices
- The rupee is likely to hold its ground amid softening of crude oil prices and strong FII inflows into the domestic market. Meanwhile, investors will keep an close eye on inflation data from India after central bank kept its rates steady last week and CPI data from US ahead of US Federal Reserve interest rate decision. 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\$INR Strategy

US\$INR June futures contract (NSE)

Sell USDINR in the range of 82.58-82.60

Target: 82.30

Support: 82.30/82.20

Stop Loss: 82.74

82.74/82.90

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	June Futures	Sell	82.60	82.35	82.75	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
DXV	103.55	103.32	0.23%
US\$INR	82.42	82.48	-0.07%
EURUSD	1.0748	1.0782	-0.31%
EURINR	88.60	88.95	-0.39%
GBPUSD	1.2575	1.2560	0.12%
GBPINR	103.64	103.57	0.07%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.039	7.021	0.018
US	3.743	3.720	0.023
UK	4.242	4.245	-0.003
Japan	0.414	0.436	-0.022
Germany	2.382	2.417	-0.035

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

- Euro on Friday fell by 0.31% amid rebound in the dollar. Further, weaker economic numbers from the Eurozone also weighed over the Euro to slid towards 1.0750.
- The Euro is likely to slip further till 1.0690 levels amid firm dollar. Meanwhile, further downside may be cushioned on divergence in the monetary policy. US Federal Reserve is likely to hit a pause button this week whereas, ECB is likely to continue with its tightening monetary policy to combat stubbornly high inflation. The Euro is expected to glide towards 1.0690 level (200day EMA) as long as it stays below 20-Day EMA at 1.076 level. EURINR is likely to face hurdle near 88.75 levels and tumble towards 88.20 levels
- The pound stick to its gains against the dollar amid increasing probability of rate hike in its upcoming BOE meeting. The higher inflation numbers in the region has raised the probability of more rate hike in the coming months
- The pound is expected to trade with negative bias amid firm dollar. However, sharp downside may be cushioned on expectation of a 25 bps hike in the next BoE policy. The pair is expected to slip towards 1.2530 level as long as it stays below 1.2590 levels. GBPINR is likely to move lower towards 103.30 levels as long as it sustains below 103.75 levels

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Industrial Production YoY AP	India	5:30 PM	-	1.6%	1.1%	High
Inflation Rate YoY	India	5:30 PM	-	4.5%	4.7%	High



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