June 14, 2023

Daily Currency Outlook

Daily Recommendation

Curreny Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	June Futures	Buy	89.00	89.20	88.87	1 day

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Rupee Outlook and Strategy

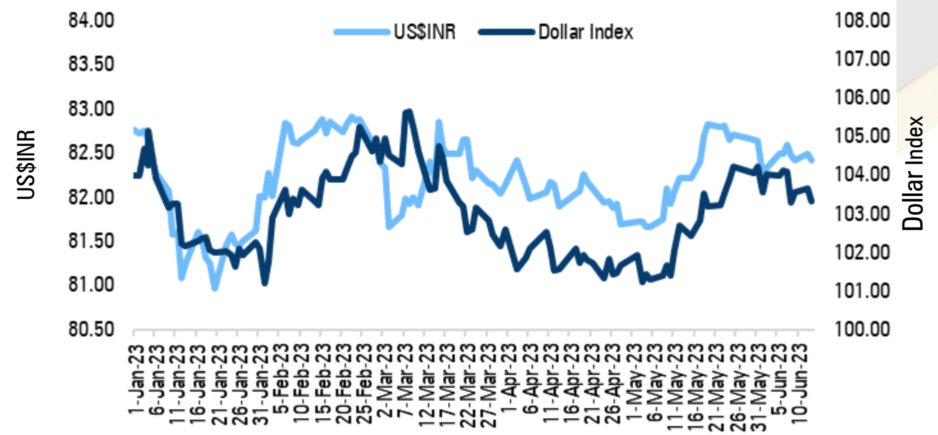
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th June)	82.42	-0.09%	2721913	33046	1466472	194640
EURINR (27th June)	89.01	0.11%	113808	6190	143892	-13919
GBPINR (27th June)	103.55	-0.13%	330093	-39645	325288	148443

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US$INR (Jun)	82.32	82.37	82.44	82.49	82.56
US$INR (July)	82.42	82.46	82.53	82.57	82.64
EURINR (Jun)	88.75	88.88	88.99	89.12	89.24
EURINR (July)	89.00	89.10	89.20	89.30	89.40
GBPINR (Jun)	103.01	103.28	103.54	103.81	104.07
GBPINR (July)	103.25	103.44	103.56	103.75	103.87
JPYINR (Jun)	59.21	59.26	59.35	59.40	59.49
JPYINR (July)	59.62	59.68	59.78	59.84	59.95

Dollar Index vs US$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar index dropped 0.30% on Tuesday after data showed the inflation rate cooled in May to its lowest annual rate in more than two years, which raised expectations that the Federal Reserve will pause interest rate hikes at its two-day meeting ending on Wednesday. However, further downside was restricted on a rise in US 10 year's treasury yields
- The rupee future maturing on June 27 appreciated by 0.09% on Tuesday amid a soft dollar
- The rupee is likely to appreciate for the day amid a weak US dollar and optimistic global market sentiments. Further, US inflation data strengthened bets that the Federal Reserve may keep interest rates unchanged in its meeting due later in the day. US$INR is expected to face a hurdle near 82.45 levels and move downward towards the level of 82.30

EURNR Strategy

EURINR June futures contract (NSE)	
Buy EURINR in the range of 89.00-89.01	
Target:89.20	Stop Loss: 88.87
Support: 88.90/88.80	89.20/89.30

Follow-up

Curreny Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	June Futures	Sell	82.49	82.34	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

ICICI direct Research

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	103.33	103.65	-0.31%
US$INR	82.42	82.49	-0.09%
EURUSD	1.0792	1.0756	0.33%
EURINR	89.01	88.91	0.11%
GBPUSD	1.2611	1.2505	0.85%
GBPINR	103.55	103.68	-0.13%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.002	7.018	-0.016
US	3.819	3.739	0.08
UK	4.427	4.338	0.089
Japan	0.415	0.424	-0.009
Germany	2.453	2.359	0.094

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	6336.47	6930.9	-594.43
Debt	628.6	393.23	235.37
Net			-359.06

- The Euro gained more than 0.30% after data showed the annual inflation rate in Germany was confirmed at a 14-month low of 6.1% in May 2023, down from 7.2% in the previous month but remained well above the European Central Bank's target of about 2%, which reinforced expectations that the ECB will implement another 25 basis points rate hike during the meeting on Thursday

- The Euro is likely to trade with a positive bias for the day amid weakness in the US dollar and sharp rise in German 10 years bond yields. Further, the Euro may be supported on expectations that industrial production increased by 0.8% in April compared to a 4.1% decline in March. EURUSD is likely to break the level of 1.0812 to continue its upward trend towards the level of 1.0840. EURINR is likely to hold the support near 88.87 levels and rise towards the level of 89.20

- The pound edged up more than 0.85% on Tuesday amid a weak dollar. Further, strong wage growth increased pressure on Bank of England to consider further interest rate hikes

- The pound is expected to trade with a positive bias amid a rise in UK 10 year's bond yields and a weak US dollar. Further, investors will closely watch GDP data from Britain, which is expected to show the economy expanded in April. The pair is expected to rise further till 1.2650 level as long as it stays above 1.2580 levels. GBPINR is likely to surpass the hurdle of 103.75 to trade in upward trend towards the level of 104

Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Industrial Production (MoM) (Apr)	UK	11:30 AM	-	-0.1%	0.7%	Medium
GDP (YoY) (Apr)	UK	11:30 AM	-	0.6%	0.3%	High
Trade Balance (Apr)	UK	11:30 AM	-	-16.50B	-16.36B	High
Manufacturing Production (MoM) (Apr)	UK	11:30 AM	-	-0.40%	0.70%	High
WPI Inflation (YoY) (May)	India	12:00 PM	-	-2.35%	-0.92%	Medium
Industrial Production (MoM) (Apr)	Europe	2:30 PM	-	1.00%	-4.10%	Medium
PPI (MoM) (May)	US	6:00 PM	-	-0.10%	0.20%	High
Fed Interest Rate Decision	US	11:30 PM	-	5.25%	5.25%	High

Source: Bloomberg, Reuters, ICICI Direct Research

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