

June 16, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
USDINR	June Futures	Sell	82.05	81.90	82.15	1 day

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Rupee Outlook and Strategy

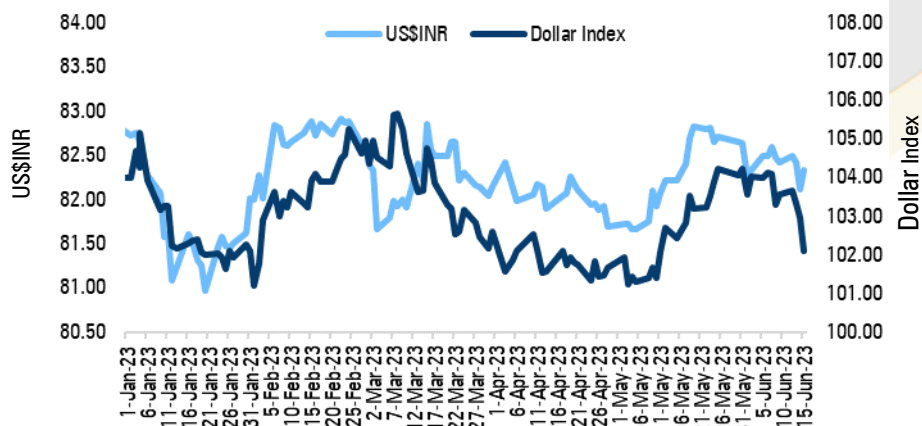
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th June)	82.23	0.13%	2608826	-163476	2533872	6203
EURINR (27th June)	89.09	0.32%	102542	-5928	149542	11094
GBPINR (27th June)	104.04	0.22%	383652	22659	215227	-15181

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	81.95	82.09	82.19	82.32	82.42
US\$INR (July)	81.99	82.15	82.30	82.46	82.61
EURINR (Jun)	88.72	88.90	89.04	89.22	89.35
EURINR (July)	88.88	89.07	89.20	89.40	89.53
GBPINR (Jun)	103.67	103.85	103.96	104.14	104.25
GBPINR (July)	103.75	103.93	104.02	104.20	104.30
JPYINR (Jun)	58.18	58.33	58.46	58.61	58.73
JPYINR (July)	58.66	58.80	58.91	59.06	59.17

Dollar Index vs US\$INR



- The US dollar index dropped more than 0.80% after the European Central Bank raised interest rates a day after the Federal Reserve paused its hikes. Further, the dollar came under pressure after the Philadelphia Fed Manufacturing Index in the US declined to -13.7 in June 2023 from -10.4 in May. Moreover, a drop in US 10 year's treasury yields also weighed on the dollar
- The rupee future maturing on June 27 depreciated by 0.13% on Thursday amid hawkish US Federal Reserve
- The rupee is likely to appreciate today amid weakness in the dollar. Further, recent economic data from the US fuelled hopes that the US Fed may remain less hawkish than anticipated. However, sharp gains may be capped on a surge in crude oil prices and as India's trade deficit widened to a five-month high to \$22.12 billion in May. US\$INR is expected to find resistance near 82.15 and trade in a downward trend towards the level of 81.90

US\$INR Strategy

US\$INR June futures contract (NSE)

Sell US\$INR in the range of 82.04-82.05

Target: 81.90

Stop Loss: 82.15

Support: 81.90/81.80

Resistance: 82.20/82.30

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	June Futures	Sell	88.85	88.70	88.95	Stop loss Triggered

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	102.11	102.95	-0.81%
US\$INR	82.23	82.12	0.13%
EURUSD	1.0944	1.0824	1.11%
EURINR	89.09	88.80	0.32%
GBPUSD	1.2782	1.2661	0.96%
GBPINR	104.04	103.81	0.23%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.041	7.011	0.03
US	3.720	3.792	-0.072
UK	4.369	4.374	-0.005
Japan	0.430	0.426	0.004
Germany	2.495	2.466	0.029

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	10498.65	8635.83	1862.82
Debt	189.6	210.48	-20.88
Net			1841.94

- The Euro rose more than 1.10% and touched levels last seen in mid May on Thursday after the European Central Bank hiked interest rates and signalled further policy tightening is likely. Further, the Euro was supported on a rise in German 10 year's bond yields
- The Euro is likely to trade with a positive bias for the day amid weakness in the US dollar and on hawkish comments from ECB. Meanwhile, investors will closely watch economic figures from Europe and US to gauge economic health. EURUSD is likely to break the level of 1.0960 to continue its upward trend towards the level of 1.1000. EURINR is likely to take support near 89.00 levels and rise towards the level of 89.25
- The pound edged higher by almost 1.00% and touched levels last seen in April 2022 amid a weak US dollar and in anticipation that BoE may also raise interest rates next week
- The pound is expected to trade with a positive bias amid weakness in the US dollar and on expectations that BoE will hike rates by 25 bps next week. The pair is expected to take support near 1.2740 level and continue its upward trend towards the level of 1.2850. GBPINR is likely to trade in upward trend towards the level of 104.25

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
CPI (YoY) (May)	Europe	2:30 PM	-	6.1%	7.0%	High
Michigan Consumer Sentiment (Jun)	US	7:30 PM	-	60	59.2	Medium



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