June 19, 2023

Daily Currency Outlook

Daily Recommendation

Curreny Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	June Futures	Sell	89.75	89.55	89.88	1 day

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Rupee Outlook and Strategy

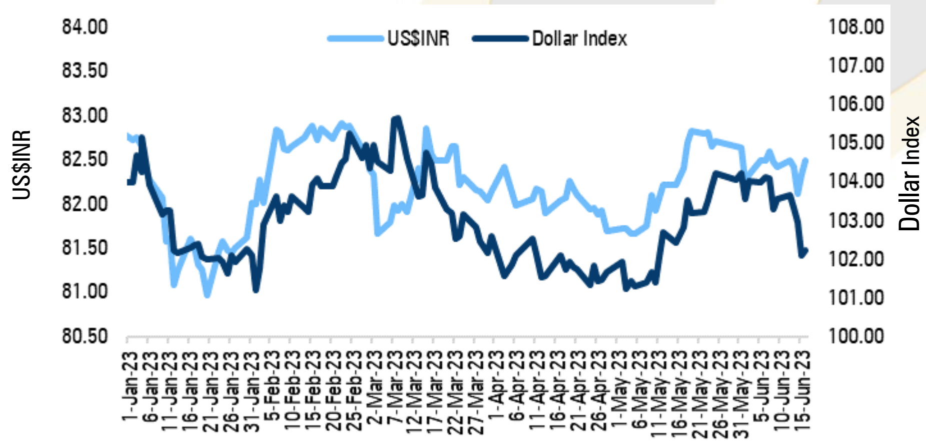
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th June)	81.96	-0.33%	2571907	-36919	3059802	525930
EURINR (27th June)	89.74	0.74%	102920	378	191356	41814
GBPINR (27th June)	104.77	0.71%	391549	7897	186388	-28839

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US$INR (Jun)	81.77	81.86	81.98	82.07	82.19
US$INR (July)	81.86	81.95	82.07	82.16	82.28
EURINR (Jun)	89.05	89.40	89.60	89.94	90.14
EURINR (July)	89.64	89.78	89.89	90.03	90.14
GBPINR (Jun)	104.16	104.47	104.65	104.95	105.13
GBPINR (July)	104.25	104.54	104.70	104.99	105.15
JPYINR (Jun)	57.84	58.09	58.41	58.65	58.97
JPYINR (July)	58.37	58.59	58.87	59.09	59.37

Dollar Index vs US$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar index rebounded from a five-week low amid a rise in US treasury yields. Further, the dollar was supported after the University of Michigan consumer sentiment for the US increased to 63.9 in June 2023, the highest in four months from 59.2 in May, reflecting greater optimism as inflation eased and policymakers resolved the debt ceiling crisis
- The rupee future maturing on June 27 appreciated by 0.33% on Friday and touched levels last seen five weeks back amid sharp FII inflows in domestic equity markets
- The rupee is likely to depreciate today amid a recovery in the dollar and weak global market sentiments. Further, investors will remain cautious ahead of comments from US Fed officials to get cues on future rate trajectory. US$INR is expected to find support near 81.90 and trade in an upward trend towards the level of 82.10

EURNR Strategy

EURINR June futures contract (NSE)	
Sell EURINR in the range of 89.74-89.75	
Target:89.55	Stop Loss: 89.88
Support: 89.55/89.40	Resistance: 89.85/90.00

Follow-up

Curreny Pair	Contract	Action	Price	Target	Stoploss	Comment
USDINR	June Futures	Sell	82.05	81.90	82.15	Target Achieved

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	102.24	102.11	0.13%
US$INR	81.96	82.23	-0.33%
EURUSD	1.0940	1.0944	-0.04%
EURINR	89.74	89.09	0.74%
GBPUSD	1.2817	1.2782	0.27%
GBPINR	104.77	104.04	0.70%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.034	7.041	-0.007
US	3.769	3.720	0.049
UK	4.401	4.369	0.032
Japan	0.401	0.430	-0.029
Germany	2.457	2.495	-0.038

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	12386.52	9104.51	3282.01
Debt	738.63	1160.57	-421.94
Net			2860.07

- The Euro lost its earlier gains and closed with a marginal lass of 0.04% on Friday amid a decline in German 10 year's bond yields and recovery in the dollar. Meanwhile, consumer price inflation in the Euro Area was confirmed at 6.1% in May 2023, the lowest since February 2022. Still, the rate remained significantly higher than the European Central Bank's target of 2.0%

- The Euro is likely to trade with a negative bias for the day amid a strong US dollar and drop in German treasury yields. Meanwhile, a sharp fall may be restricted on expectations that the ECB will continue to tighten its policy. EURUSD is likely to break the level of 1.0920 to continue its downward trend towards the level of 1.0900. EURINR is likely to trade in a downward trend towards the level of 89.55

- The pound continued to rise on Friday ahead of the Bank of England's monetary policy meeting next week. Further, the pound was supported on a rise in UK 10 year's bond yields

- The pound is expected to trade with a positive bias amid rising expectations that the BoE will increase its interest rates by 25 bps this week. The pair is expected to take support near 1.2800 level and continue its upward trend towards the level of 1.2870. GBPINR is likely to trade in an upward trend towards the level of 105.00

Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
NAHB Housing Market Index (Jun)	US	7:30 PM	-	51	50	Medium

Source: Bloomberg, Reuters, ICICI Direct Research

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