

June 23, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
EURINR	June Futures	Sell	89.85	89.70	89.95	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Rishikesh Lilawat
rishikesh.lilawat@icicisecurities.com

Anup Sahu
anup.sahu@icicisecurities.com

Rupee Outlook and Strategy

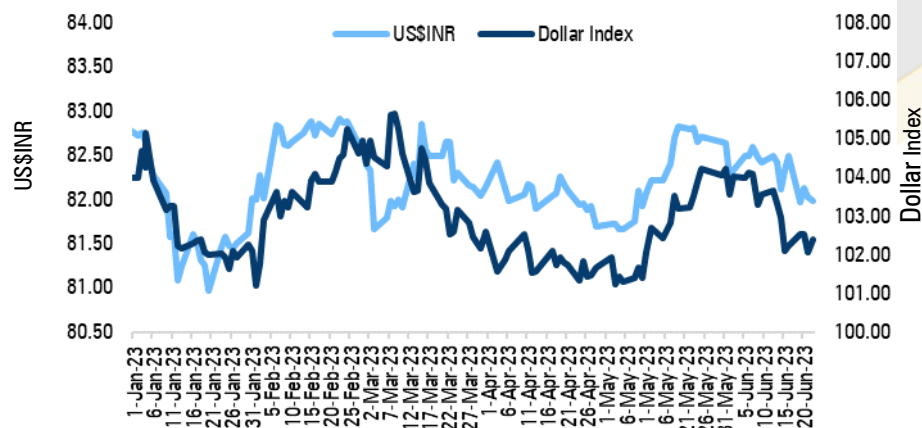
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th June)	81.98	-0.06%	2347157	-89669	1519724	-230517
EURINR (27th June)	90.18	0.71%	114968	12378	198534	77037
GBPINR (27th June)	104.78	0.52%	314945	560	289852	-125554

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Jun)	81.86	81.92	81.96	82.02	82.06
US\$INR (July)	81.95	82.01	82.04	82.09	82.13
EURINR (Jun)	89.82	90.00	90.11	90.29	90.40
EURINR (July)	90.04	90.19	90.28	90.43	90.52
GBPINR (Jun)	103.93	104.36	104.77	105.20	105.61
GBPINR (July)	104.01	104.39	104.80	105.18	105.59
JPYINR (Jun)	57.63	57.72	57.86	57.96	58.10
JPYINR (July)	58.14	58.23	58.34	58.43	58.54

Dollar Index vs US\$INR



Source: Bloomberg, Reuters, Ticker, ICICI Direct Research

- The US dollar index edged up by 0.31% on Thursday amid rise in US treasury yields. Further, dollar was supported after Federal Reserve Chair Jerome Powell suggested more US interest rate hikes may be needed to curb inflation. However, further upside was restricted as the number of Americans filing for unemployment benefits were at 264,000, unchanged from the prior week's upwardly revised level, which is the highest level of initial claims activity since October 2021.
- The rupee future maturing on June 27 appreciated by 0.06% on Thursday amid soft dollar and decline in crude oil prices
- The rupee is likely to depreciate today amid recovery in US dollar and weak global market sentiments. Additionally, investors will keep an close eye on manufacturing and services pmi data from major countries across the globe to gauge the economic health. US\$INR is likely to take support near 81.85 levels and move north towards 82.05 levels

EURINR Strategy

EURINR June futures contract (NSE)

Sell EURINR in the range of 89.84-89.85

Target: 89.70

Support: 89.70/89.60

Stop Loss: 89.95

Resistance: 89.90/90.00

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	June Futures	Buy	90.00	90.20	89.88	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.

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	102.39	102.08	0.30%
US\$INR	81.98	82.03	-0.05%
EURUSD	1.0955	1.0986	-0.28%
EURINR	90.18	89.54	0.71%
GBPUSD	1.2747	1.2768	-0.16%
GBPINR	104.78	104.24	0.52%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.086	7.067	0.019
US	3.799	3.725	0.074
UK	4.360	4.401	-0.041
Japan	0.377	0.373	0.004
Germany	2.487	2.405	0.082

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	15078.54	9570.51	5508.03
Debt	233.48	859.07	-625.59
Net			4882.44

- The Euro edged down by almost 0.30% on Thursday amid strong US dollar. However, further downside was prevented as the consumer confidence indicator in the Euro Area rose 1.3 points to -16.1 in June 2023, the highest since February 2022 and better than market expectations of -17
- The Euro is likely to trade with a negative bias for the day amid strong US dollar and expectations of disappointing economic data from the Euro area. EURUSD is likely to slip towards the level of 1.0910. EURINR is likely to trade in downward trend towards the level of 89.70
- The pound erased its earlier gains amid strong US dollar. However, sharp downside was prevented as the Bank of England raised its interest rates by a 50 basis-points, following a series of smaller moves through this year. BoE's Monetary Policy Committee voted 7-2 to raise its main interest rate to 5% from 4.5%, its highest since 2008
- The pound is expected to trade with a negative bias amid strong US dollar. Further, pound may depreciate on expectations of weak economic data from the Britain. However, sharp downside may be cushioned as BOE raised its key interest rate by 50bps, a more aggressive rate rise than its peers and also signaled further rate hikes if warranted. The pair is expected to move south towards the level of 1.2690. GBPINR is likely to trade in downward trend towards the level of 104.00

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Retail Sales (MoM) (May)	UK	11:30 AM	-	-0.20%	0.50%	High
Spanish GDP (QoQ) (Q1)	Europe	12:30 PM	-	0.50%	0.20%	Medium
German Manufacturing PMI (Jun)	Europe	1:00 PM	-	43.5	43.2	High
German Services PMI (Jun)	Europe	1:00 PM	-	56.3	57.2	High
Composite PMI	UK	2:00 PM	-	53.7	54	High
Manufacturing PMI	UK	2:00 PM	-	46.8	47.1	High
Services PMI	UK	2:00 PM	-	54.7	55.2	High
Manufacturing PMI (Jun)	US	7:15 PM	-	48.3	48.4	High
Services PMI (Jun)	US	7:15 PM	-	54	54.9	High



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

I/We, , Raj Deepak Singh BE, MBA (Finance), Saif Mukadam BSc, MMS (Finance), Rishikesh Lilawat BBA, MBA (Finance), Anup Sahu BSc, MBA (Finance) Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Anoop Goyal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.