

August 17, 2022

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
GBPINR	Aug Futures	Sell	96.80	96.50	97.00	1 day

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Rupee Outlook and Strategy

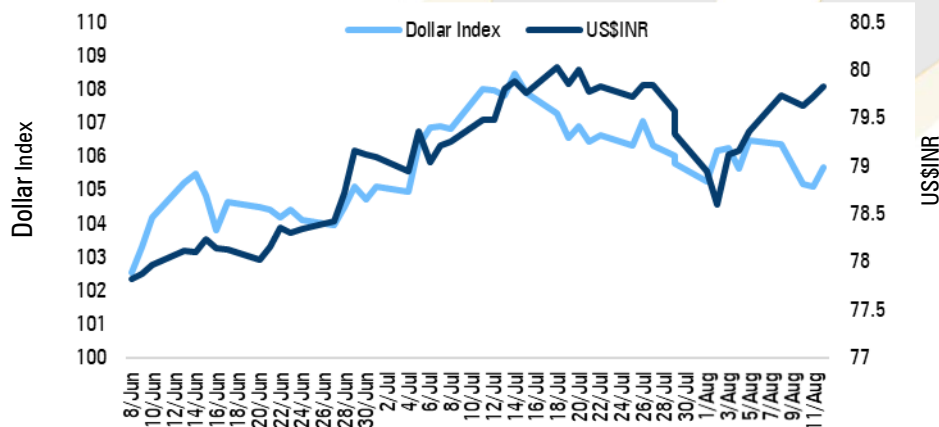
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Aug)	79.83	0.14%	3378951	-90513	2162229	-519674
EURINR (26th Aug)	82.13	-0.33%	142593	-2635	227393	-81655
GBPINR (26th Aug)	96.88	-0.38%	86499	-37623	318648	-28814

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (26th Aug-22)	79.64	79.72	79.77	79.84	79.89
US\$INR (28th Sep-22)	79.76	79.89	79.96	80.10	80.17
EURINR (26th Aug-22)	81.95	82.07	82.23	82.35	82.50
EURINR (28th Sep-22)	82.32	82.44	82.59	82.71	82.86
GBPINR (26th Aug-22)	96.87	97.01	97.20	97.34	97.53
GBPINR (28th Sep-22)	97.19	97.33	97.51	97.65	97.83
JPYINR (26th Aug-22)	59.68	59.80	59.90	60.01	60.11
JPYINR (28th Sep-22)	59.97	60.07	60.13	60.23	60.28

Dollar Index vs US\$INR



- The US dollar edged higher by 0.56% on Friday after a new batch of disappointing Chinese data raised global recession worries. Further, strong Michigan consumer sentiment (August) data supported dollar. The University of Michigan consumer sentiment for the US increased to 55.1 in August of 2022 from 51.5 in July, the highest in three months and beating market forecasts of 52.5. However, sharp upside was capped by drop in US 10 years bond yields
- Rupee future maturing on August 26 depreciated by 0.14% on Friday amid expectations of weak economic data from the India
- The rupee is expected to depreciate today amid weak inflation data in India. Annual inflation rate in the country edged lower to a five-month low of 6.71% in July of 2022 from 7.01% in June, compared to market forecasts of 6.78%. US\$INR (August) is likely to trade in a range of 79.80-80.10

GBPINR Strategy

GBPINR Aug futures contract (NSE)

Sell GBPINR in the range of 96.80-96.82

Target: 96.50

Support: 96.50/96.40

Stoploss: 97.00

Resistance: 97.00/97.10

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	Aug Futures	Buy	82.30	82.60	82.10	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
DXY	105.67	105.09	0.55%
US\$INR	79.83	79.72	0.14%
EURUSD	1.0256	1.0321	-0.63%
EURINR	82.13	82.41	-0.34%
GBPUSD	1.2132	1.2198	-0.54%
GBPINR	96.88	97.24	-0.37%

Global Bonds

Country	Close	Pvs. Close	Change
India	7.289	7.267	0.022
US	2.837	2.889	-0.052
UK	2.102	2.062	0.04
Japan	0.184	0.197	-0.013
Germany	0.981	0.980	0.001

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	9023.3	6774.45	2248.85
Debt	816.89	659.08	157.81
Net			2406.66

- The Euro depreciated by 0.63% on Friday mainly on the back of a strong US dollar. However, further downside was restricted by strong macroeconomic data from euro area. Industrial production in the euro area increased 0.7% MoM in June 2022, following a sharply revised 2.1% jump in May and more than the triple of market expectations of 0.2%
- The Euro is expected to trade with a negative bias amid strong US dollar. Further, investors will remain vigilant ahead of euro area GDP data. EURUSD is expected to break the hurdle of 1.0120 to continue its downward move towards the level of 1.0090. EURINR (August) is likely to trade in a range of 81.90-82.20
- The pound declined 0.54% on Friday amid weak macroeconomic data from Britain. The British economy contracted 0.1% on quarter in the three months to June 2022, marking the first contraction in more than a year and compared to market forecasts of a 0.2% fall. Further, manufacturing output in the UK declined 1.6% MoM in June 2022, compared with market estimates of a 1.8% fall and swinging from an upwardly revised 1.7% rise a month earlier. However, sharp downside was restricted by a rise in UK 10 years bond yields
- The pound is expected to trade with a positive bias for the day amid expectations of strong inflation data from Britain. UK CPI is expected to rise from 9.4% to 9.8% in July. GBPUSD is likely to surpass the hurdle of 1.2130 to trade in upward trend towards the level of 1.2210. GBPINR (August) is likely to trade in a range of 96.60-96.90

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
CPI (YoY) (Jul)	UK	11:30am	-	9.80%	9.40%	High
GDP (YoY) (Q2)	Europe	2:30pm	-	4.00%	4.00%	High
Retail Sales (MoM) (Jul)	US	6:00pm	-	0.10%	1.00%	High
FOMC Meeting Minutes	US	11:30pm	-	-	-	High



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