

June 30, 2023

Daily Currency Outlook

Daily Recommendation

Currency Pair	Contract	Action	Price	Target	Stoploss	Duration
US\$INR	July Futures	Buy	82.15	82.30	82.05	1 day

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Rupee Outlook and Strategy

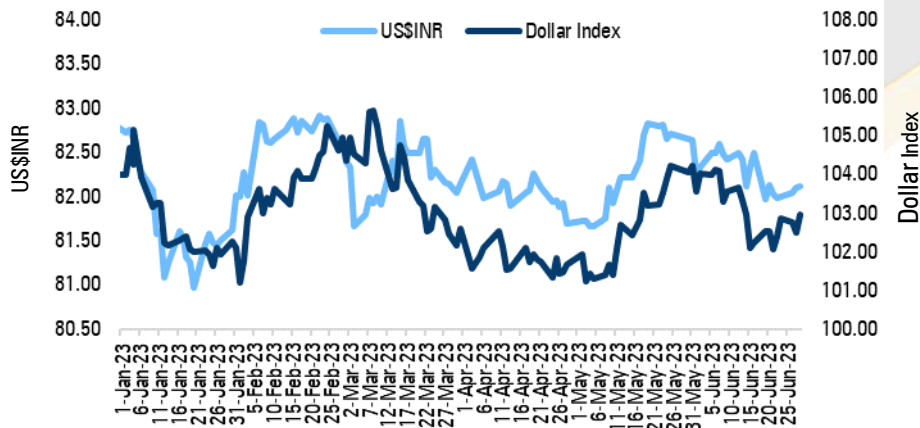
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th July)	82.12	0.03%	2149359	1015463	1669403	374272
EURINR (27th July)	90.01	0.06%	211030	176991	177576	117127
GBPINR (27th July)	104.18	-0.20%	393876	300637	211539	34736

Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (July)	82.01	82.06	82.11	82.16	82.20
US\$INR (Aug)	82.10	82.15	82.19	82.25	82.29
EURINR (July)	89.78	89.89	89.99	90.10	90.19
EURINR (Aug)	89.95	90.05	90.13	90.24	90.32
GBPINR (July)	103.91	104.06	104.27	104.42	104.63
GBPINR (Aug)	103.98	104.10	104.32	104.44	104.67
JPYINR (July)	57.13	57.20	57.35	57.43	57.57
JPYINR (Aug)	57.40	57.51	57.73	57.84	58.06

Dollar Index vs US\$INR



- The US dollar index climbed to a two-week high on Thursday as the US economy grew by an annualized 2% in Q1 2023, well above 1.3% in the second estimate and forecasts of 1.4%. Consumer spending growth accelerated more than expected to 4.2%, the strongest in nearly two years v/s 3.8% in the second estimate despite stubbornly high inflation. Further, dollar was supported on sharp rise in US treasury yields across curve
- The rupee future maturing on July appreciated marginally by 0.03% on Wednesday amid uptick in US dollar and rise in crude oil prices
- The rupee is likely to depreciate today amid strong US dollar and rising crude oil prices. Dollar is gaining strength as upbeat economic data from US is providing room for US Fed to hike rates further and keep them elevated for longer period than expected. Meanwhile, investors will closely watch core PCE price index data from the US. US\$INR is likely to break the level of 82.20 to continue its upward trend towards the level of 82.30

US\$INR Strategy

US\$INR July futures contract (NSE)

Buy US\$INR in the range of 82.14-82.15

Target: 82.30

Stop Loss: 82.05

Support: 82.10/82.00

Resistance: 82.30/82.40

Follow-up

Currency Pair	Contract	Action	Price	Target	Stoploss	Comment
EURINR	July Futures	Buy	89.90	90.20	89.70	Exit in Profit

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	103.35	102.97	0.37%
US\$INR	82.12	82.10	0.03%
EURUSD	1.0862	1.0912	-0.46%
EURINR	90.01	89.95	0.07%
GBPUSD	1.2611	1.2635	-0.19%
GBPINR	104.18	104.39	-0.20%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.056	7.063	-0.007
US	3.842	3.710	0.132
UK	4.385	4.309	0.076
Japan	0.384	0.384	0
Germany	2.413	2.308	0.105

Daily Trends in FPI Investment

Segment	Purchase	Sell	Net Rs Crore
Equity	10096.72	8266.08	1830.64
Debt	397.86	2253.21	-1855.35
Net			-24.71

- The Euro dropped by almost 0.50% on Thursday amid strong US dollar. However, further downside was restricted as the German consumer price inflation increased to 6.4% YoY in June 2023, rising from the 14-month low of 6.1% recorded in May and slightly exceeding market expectations of 6.3%, raising expectations that the ECB will continue to increase interest rates
- The Euro is likely to trade with a negative bias for the day amid strength in the US dollar. Further, traders will closely monitor series of key economic data from the Euro area like CPI YoY data, which is expected to drop from 6.1% to 5.6% but remained much above the central bank target. EURUSD is likely to break the level of 1.0840 to continue its downward trend towards the level of 1.0800. EURINR is likely to drop towards the level of 89.00
- The pound edged lower by nearly 0.20% yesterday as markets turned nervous about the impact of rate hikes on the British economy. However, sharp decline was restricted on rise in UK 10 year bond yields
- The pound is expected to trade with a negative bias amid strong US dollar. Further, pound may be pressurised on expectations of weak economic data from the Britain. The pair is expected to break the level of 1.2600 and continue its downward trend towards the level of 1.2560. GBPINR is likely to trade in downward trend towards the level of 103.40

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
German Retail Sales (MoM) (May)	Europe	11:30 AM	-	0.00%	0.80%	Medium
GDP (YoY) (Q1)	UK	11:30 AM	-	0.20%	0.60%	High
German Unemployment Change (Jun)	Europe	1:25 PM	-	15K	9K	High
CPI (YoY) (Jun)	Europe	2:30 PM	-	5.60%	6.10%	High
Unemployment Rate (May)	Europe	2:30 PM	-	6.50%	6.50%	High
Core PCE Price Index (MoM) (May)	US	6:00 PM	-	0.40%	0.40%	High
Chicago PMI (Jun)	US	7:15 PM	-	44	40.4	Medium
Michigan Consumer Sentiment (Jun)	US	7:30 PM	-	63.9	59.2	Medium



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