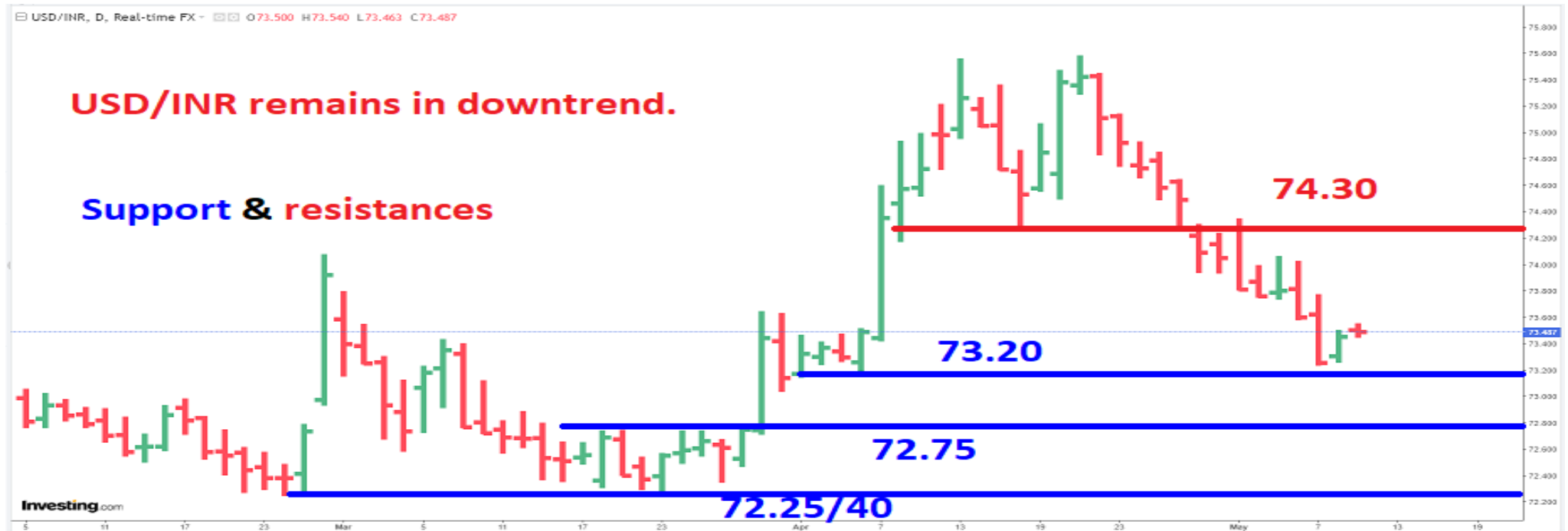




GBP/INR benefits from weakness in USD

USD/INR



➤ **Storyboard:**

- ❑ WHO has classified the highly contagious triple-mutant covid variant spreading India as a 'variant of concern'. This news coupled with a risk-off mood in Asia has pushed USDINR futures higher at the open. However, high carry and lumpy flows would ensure that upside remains capped in USDINR.

➤ **Trade Pointer:**

- ❑ USDINR has achieved the probably target of the double top formation by testing 73.30/40 levels on spot. Bias remains downward but wait for a pullback to enter fresh shorts. Resistances near 73.80 and 74.30 levels on spot.

➤ **Levels to watch:**

Futures	S2	S1	CMP	R1	R2
USDINR	73.35	73.50	73.64	73.80	74.05



EUR/USD
&
EUR/INR

➤ **Storyboard:**

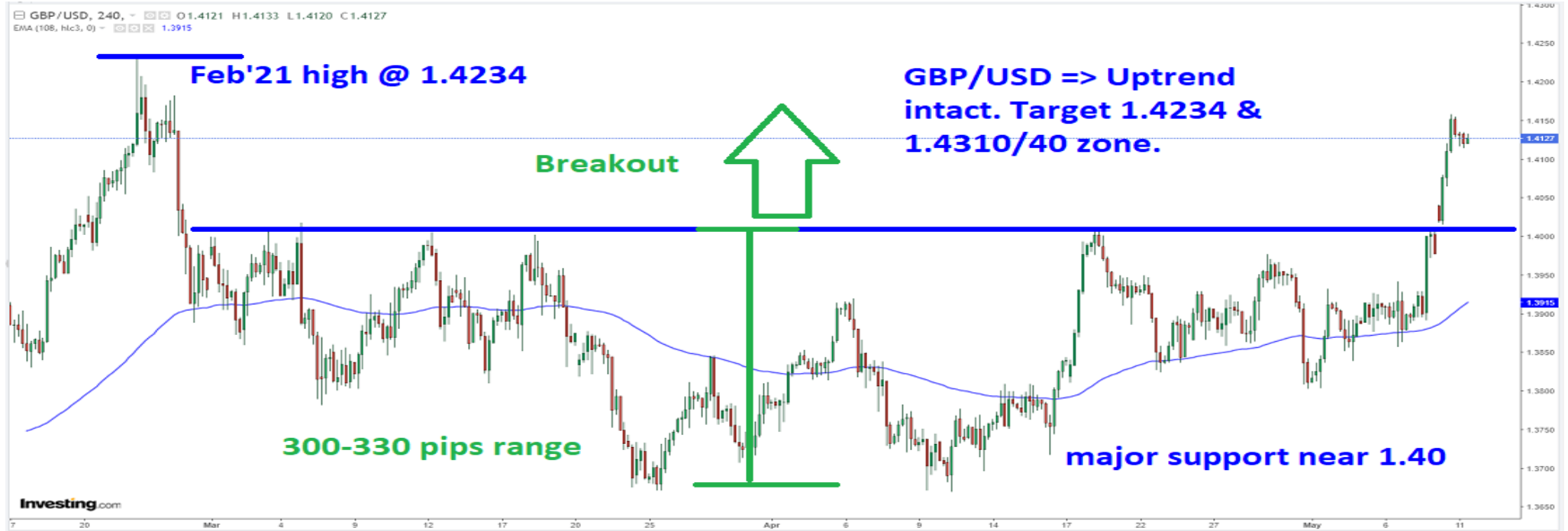
- ❑ Pandemic restrictions are beginning to ease in several major economies across Eurozone. This will allow economic activity to pick up. This week, two key economic releases: German ZEW on today and industrial production on Wednesday, will be keenly watched to gauge the economic momentum in Eurozone. A soft USD environment will spill over into this week and that can drive EURUSD higher. However, Euro can continue to weaken against GBP.

➤ **Trade Pointer:**

- ❑ EURUSD can see further upside towards 1.2250 levels. EURINR can rise alongside a strong EURUSD.

➤ **Levels to watch:**

Futures	S2	S1	CMP	R1	R2
EURINR	89.00	89.30	89.48	89.70	90.00



GBP/USD & GBP/INR

➤ **Storyboard:**

- ❑ With Scottish risk capped, traders can focus on upcoming economic boom in UK. Focus will be on Wednesdays Q1GDP report, where a solid growth of 1.5% is expected. GBP can continue to outperform Euro due to better economic momentum than Eurozone.

➤ **Trade Pointer:**

- ❑ GBPUSD remains in an uptrend. Buying is advised on decline. Target 1.4240 and 1.4310. GBPINR may also benefit from a strong GBPUSD, provided USDINR remains in a sideways phase.

➤ **Levels to watch:**

Futures	S2	S1	CMP	R1	R2
GBPINR	103.55	103.80	104.03	104.25	104.65

USD/JPY, D, 108.83 H108.99 L108.79 C108.83
 EMA (100, Mac3, 0)

USD/JPY needs to hold above 108.00 levels to keep the bullish bias alive. Below 108, it can be shorted for 106.50/70 levels.



➤ **Storyboard:**

❑ USDJPY is struggling to stay above the key trendline. A soft USD and mild risk off is not helping matters.

➤ **Trade Pointer:**

❑ USDJPY longs can tighten their stops below 108.00, under the trendline support. Incase of a close below 108.00, it can be sold for 106.50/70 levels.

➤ **Levels to watch:**

Futures	S2	S1	CMP	R1	R2
JPYINR	67.25	67.50	67.67	67.85	68.05

**USD/JPY
&
JPY/INR**

FPI FLOWS

	(\$ Million)	
MONTH	EQUITY	DEBT
Jun-20	2,890	552
Jul-20	1,018	(568)
Aug-20	6,294	368
Sep-20	(1,052)	896
Oct-20	2,661	314
Nov-20	8,132	326
Dec-20	8,420	1,227
Jan-21	2,658	(660)
Feb-21	3,539	(246)
Mar-21	1,444	902
Apr-21	(1,294)	108
May-21	(965)	90
LTTM	33,745	3,219

- The three macro factors that drive the value of USDINR: (i) Carry trade done by speculators by selling USDINR forwards/futures and rolling it (ii) FDI & FPI flows (iii) RBI intervention.
- Along with macro and technical factors, Intermarket has significant impact on USDINR. Keep an eye on (i) US Dollar Index (ii) Global equity indices (iii) Oil prices- The negative impact of oil on Rupee is more pronounced when period of high oil prices coincide with period of USD shortage (iii) Asian currencies against US Dollar
- Once COVID situation improves, FPI flows can pick up pace, which will be positive for the Indian Rupee.

Disclaimer

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