



USD finding hard to stay at its higher levels: Other currencies are resisting to devalue more.

Indian Rupee- Outlook and Hedge trade Recommendations

Currency	Indicative	Trading range	Hedge advice for import	Hedge advice for exports.	Technical trend
USDINR	77.55	77.30-77.70/77.90	65-80% hedge/optimum hedge	Near term export optimum hedge/ Far end 40% hold	Bearish with temporary resistance

Outlook: USD is really struggling to maintain its higher values, dollar index has now created near term resistance of 102.50. Last day FOMC meeting minutes indicated towards more hikes in coming time, similar to 50 basis hikes but unable to make any difference in Dollar strength because market is perceiving them as less hawkish than expected. Today though no important event is scheduled so expect a range bound movement in currency values. No important announcement /event /intervention is expected so it is being expected that currency pairs will move in a range for time being. We need to wait for more clues to take a directional stance. At present all major currencies looks taking stance against USD.

Hedge Trade Recommendations: Near term hedge is recommended for both importer as well as exporter. Importers with thinner margins are advised not to take risk on un-hedge deals, while exporters are advised to keep exposure covered at least near term.

Currency	Indicative	Trading Range		Tec. trend
EURINR	82.93	82.60-83.20		Bearish

Outlook: After yesterday's mild fall against USD, today EURO is gaining though with a very slow pace. Today's scheduled data release with weaker expectations may further support Euro indirectly.

Hedge trade Recommendations: Though direct exposure to Euro is unlikely, if it's there then a EURO long exposure can hold for a better value while short side exposure is not recommended.

Currency	Indicative	Trading Range		Tec. trend
GBPINR	97.57	96.80-98.15		Sideways Up

Outlook: just like EURO, GBP also gaining against USD with a sideways to up trend, since RUPEE is just maintaining its value against Dollar, hence it is depreciating against other gaining currencies and GBP is one among them.

Currency	Indicative	Trading Range		Tec. trend
USDJPY	127.42	126.50-128.20		JPY gaining strength

Outlook: Despite yesterday's mild bounce JPY is expected to grow strong against USD, that is on account of rising stagflation /recession fear and weaker economic data. Concept of tight positive correlation between USD/JPY and US bond yields is also supporting the softening of USD against JPY.