

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

20 Oct 2023

- USDINR
- EURINR
- GBPINR
- JPYINR



Kedia Stocks & Commodities Research Pvt. Ltd.

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Domestic Currencies

Currency	Expiry	Open	High	Low	Close	% Change
USDINR	27-Oct-23	83.2700	83.2950	83.2300	83.2425	-0.05
USDINR	28-Nov-23	83.3500	83.3775	83.3025	83.3225	-0.06
EURINR	27-Oct-23	87.7950	87.9275	87.7275	87.9025	-0.07
EURINR	28-Nov-23	88.0000	88.1500	87.9250	88.1100	-0.05
GBPINR	27-Oct-23	101.1250	101.1600	100.7300	100.9350	-0.55
GBPINR	28-Nov-23	101.2625	101.2975	100.8800	101.0750	-0.55
JPYINR	27-Oct-23	55.7275	55.7375	55.6550	55.6850	-0.16
JPYINR	28-Nov-23	56.1000	56.1050	56.0200	56.0550	-0.16

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	27-Oct-23	-0.05	-5.76	Long Liquidation
USDINR	28-Nov-23	-0.06	66.26	Fresh Selling
EURINR	27-Oct-23	-0.07	-4.57	Long Liquidation
EURINR	28-Nov-23	-0.05	-5.90	Long Liquidation
GBPINR	27-Oct-23	-0.55	5.73	Fresh Selling
GBPINR	28-Nov-23	-0.55	26.93	Fresh Selling
JPYINR	27-Oct-23	-0.16	0.54	Fresh Selling
JPYINR	28-Nov-23	-0.16	5.94	Fresh Selling

Global Indices

Index	Last	%Chg
Nifty	19624.70	-0.24
Dow Jones	33414.17	-0.75
NASDAQ	13186.18	-0.96
CAC	6921.37	-0.64
FTSE 100	7499.53	-1.17
Nikkei	31282.60	-0.47

International Currencies

Currency	Last	% Change
EURUSD	1.0579	-0.06
GBPUSD	1.2142	0.05
USDJPY	149.85	0.01
USDCAD	1.3707	-0.07
USDAUD	1.5816	0.02
USDCHF	89.18	-0.02

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Technical Snapshot



SELL USDINR OCT @ 83.3 SL 83.45 TGT 83.1-82.95.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	83.2425	83.32	83.29	83.26	83.23	83.20
28-Nov-23	83.3225	83.41	83.36	83.33	83.28	83.25

Observations

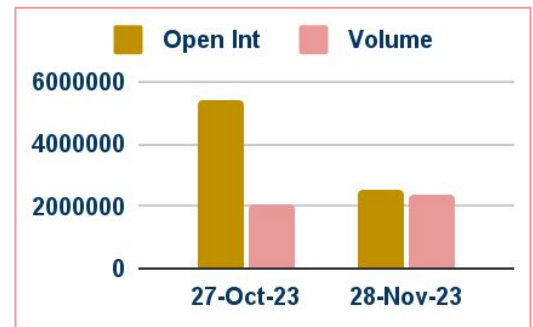
USDINR trading range for the day is 83.2-83.32.

Rupee settled flat as likely aggressive dollars sales from the central bank countered the impact of the global risk aversion

Fed's Powell: Strong economy may still require rate increases

The Indian economy is projected to grow by 6.3 per cent in FY24

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.0800

Technical Snapshot



SELL EURINR OCT @ 88 SL 88.2 TGT 87.75-87.6.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	87.9025	88.05	87.97	87.85	87.77	87.65
28-Nov-23	88.1100	88.29	88.20	88.06	87.97	87.83

Observations

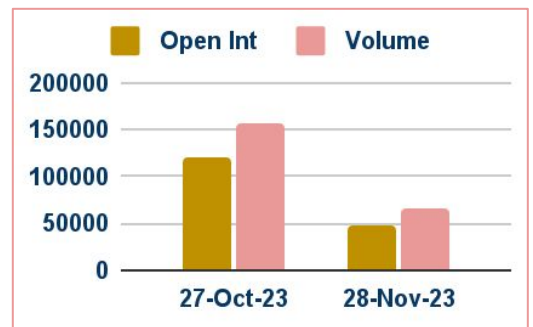
EURINR trading range for the day is 87.65-88.05.

Euro dropped as surging bond yields and an escalating turmoil in the Middle East weighed on investor sentiment.

Euro Area posted a current account surplus of EUR 30.67 billion in August 2023

Euro area borrowing costs were close to their highest in around a decade

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.0800

Technical Snapshot



SELL GBPINR OCT @ 101.2 SL 101.5 TGT 100.85-100.65.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	100.9350	101.37	101.15	100.94	100.72	100.51
28-Nov-23	101.0750	101.50	101.28	101.08	100.86	100.66

Observations

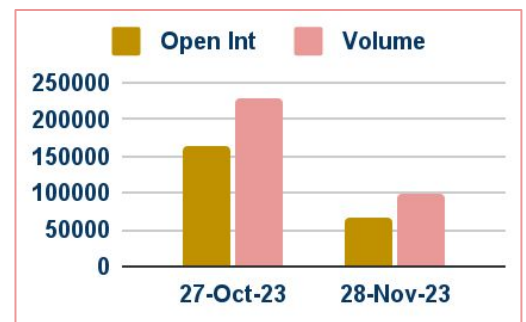
GBPINR trading range for the day is 100.51-101.37.

GBP fell as traders stayed risk-averse and continued to digest data showing UK inflation unexpectedly held at 6.7% in September.

British annual consumer price inflation stayed at an 18-month low of 6.7%

UK retail sales for September are due on Friday, while a preliminary read on October business activity lands next week.

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.0800

Technical Snapshot



SELL JPYINR OCT @ 55.7 SL 55.9 TGT 55.5-55.3.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	55.6850	55.78	55.73	55.69	55.64	55.60
28-Nov-23	56.0550	56.14	56.10	56.06	56.02	55.98

Observations

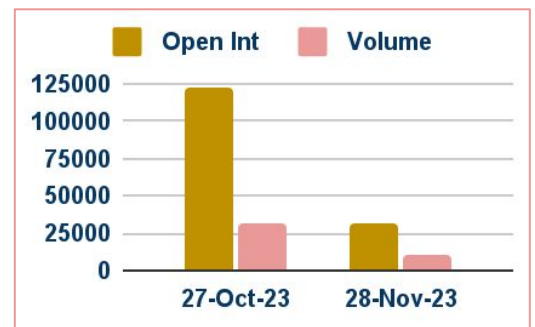
JPYINR trading range for the day is 55.6-55.78.

JPY falls due to USD strength, as US economy's resilience prolongs higher Fed rates

Japan unexpectedly logs trade surplus in September

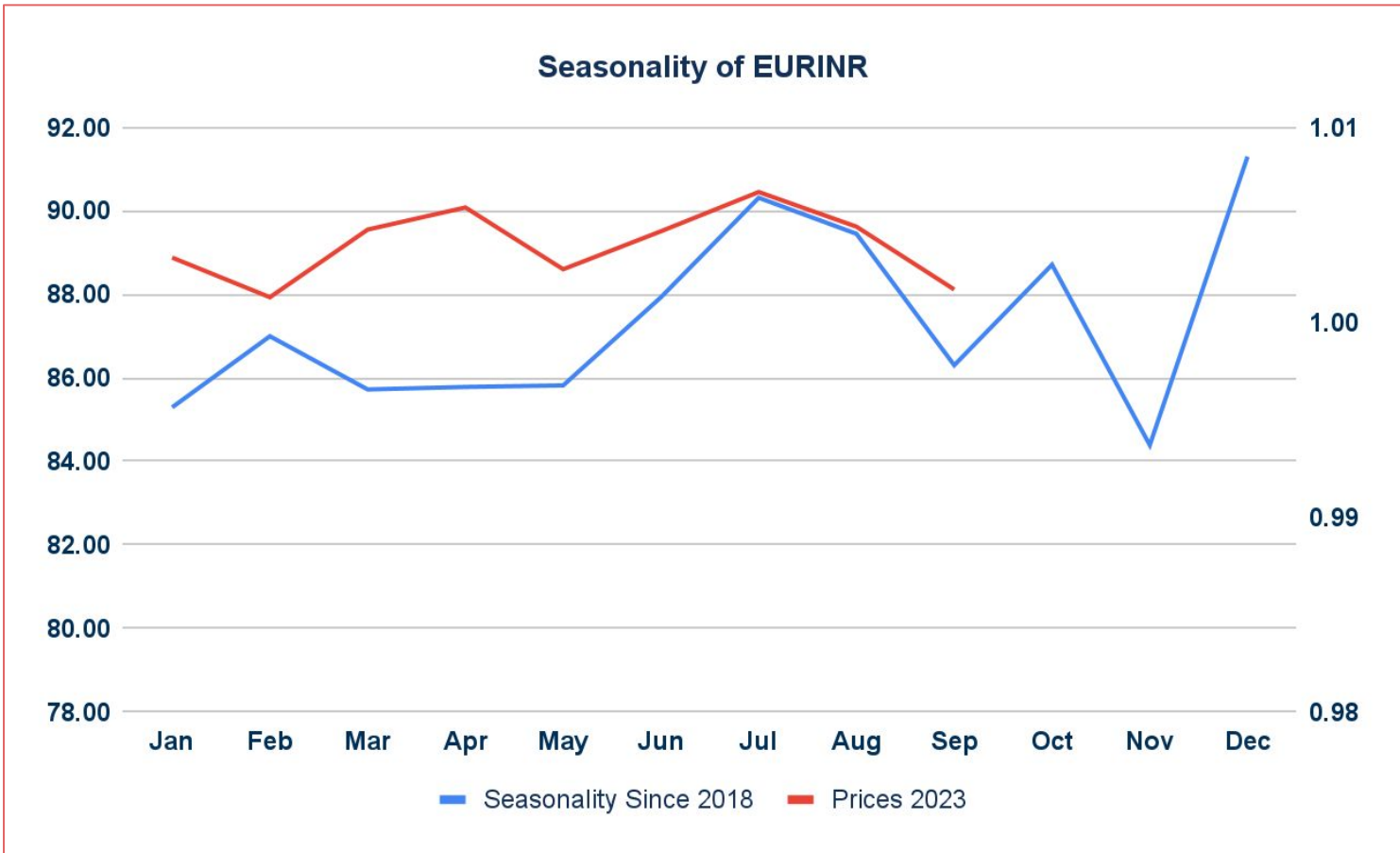
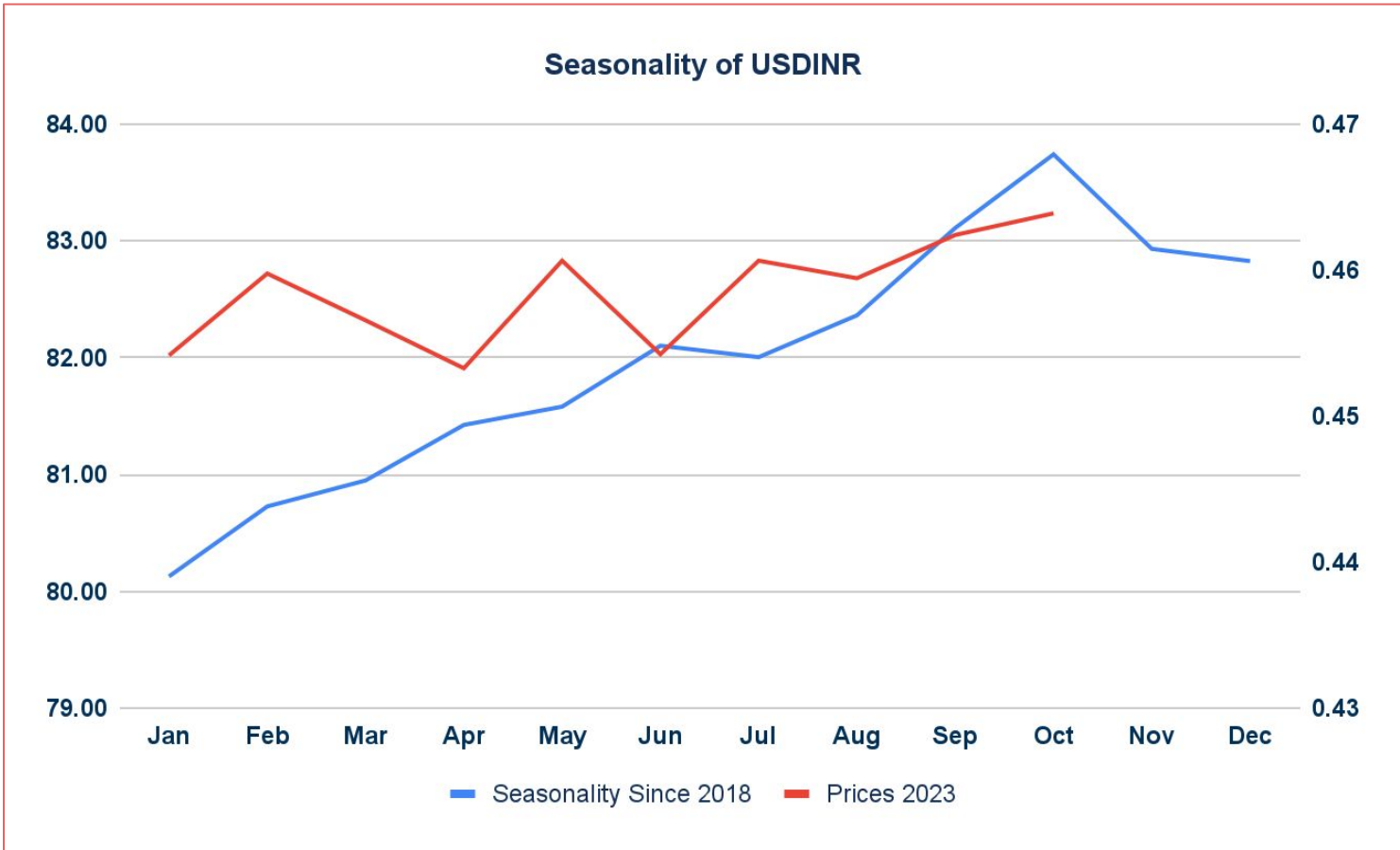
Industrial production in Japan dropped by 0.7% mom in August 2023

OI & Volume



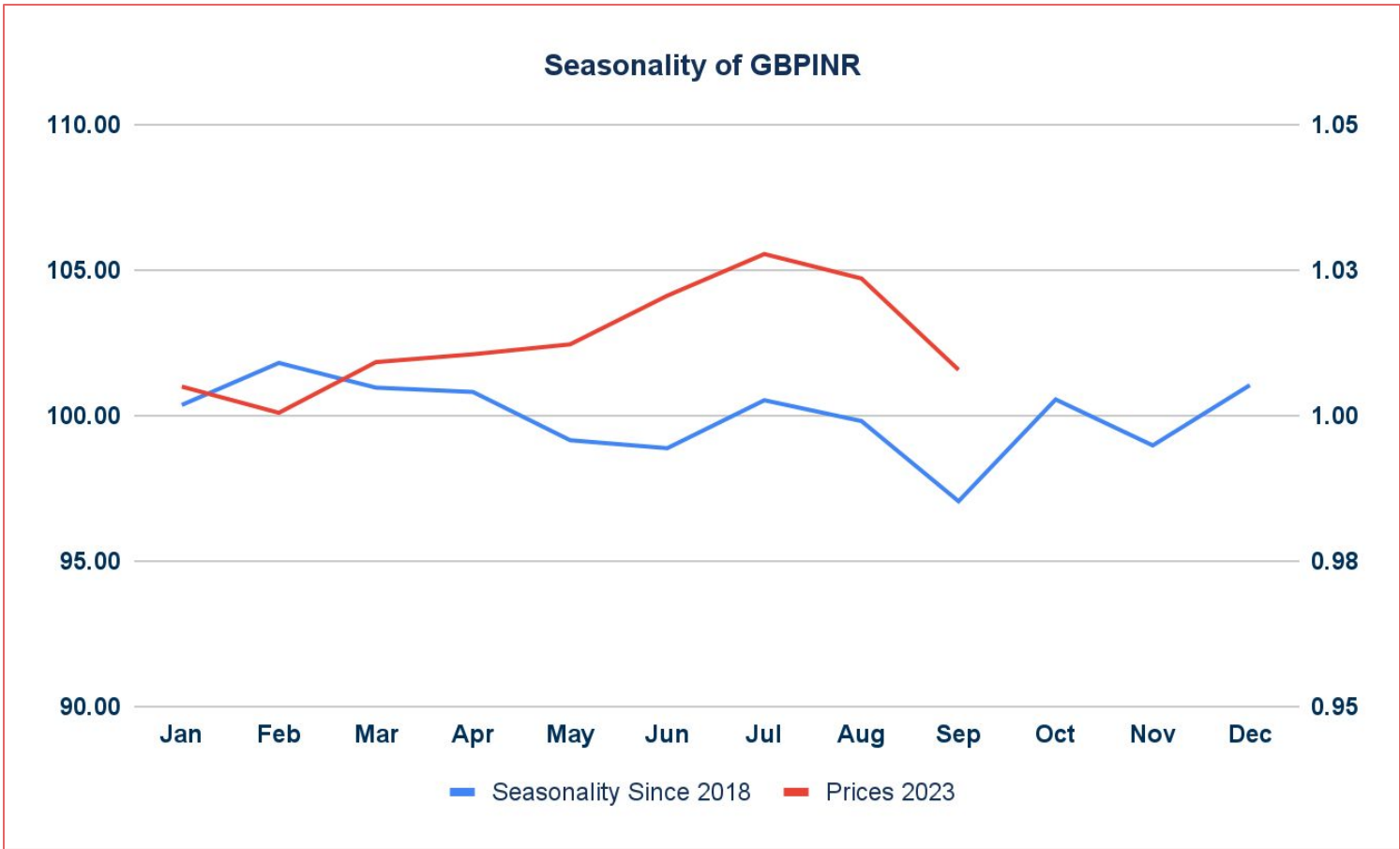
Spread

Currency	Spread
USDINR NOV-OCT	0.0800



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Economic Data

Date	Curr.	Data	Date	Curr.	Data
Oct 16	EUR	Trade Balance	Oct 18	EUR	Final Core CPI y/y
Oct 16	USD	Empire State Manufacturing Index	Oct 18	EUR	Final CPI y/y
Oct 16	USD	FOMC Member Harker Speaks	Oct 18	USD	Building Permits
Oct 17	USD	FOMC Member Harker Speaks	Oct 18	USD	Housing Starts
Oct 17	EUR	German ZEW Economic Sentiment	Oct 18	USD	Crude Oil Inventories
Oct 17	EUR	ZEW Economic Sentiment	Oct 19	USD	FOMC Member Harker Speaks
Oct 17	USD	FOMC Member Williams Speaks	Oct 19	EUR	Current Account
Oct 17	USD	Core Retail Sales m/m	Oct 19	USD	Unemployment Claims
Oct 17	USD	Retail Sales m/m	Oct 19	USD	Philly Fed Manufacturing Index
Oct 17	USD	Industrial Production m/m	Oct 19	USD	Existing Home Sales
Oct 17	USD	Capacity Utilization Rate	Oct 19	USD	CB Leading Index m/m
Oct 17	USD	Business Inventories m/m	Oct 19	USD	Natural Gas Storage
Oct 17	USD	NAHB Housing Market Index	Oct 19	USD	Fed Chair Powell Speaks
Oct 18	USD	TIC Long-Term Purchases	Oct 19	USD	FOMC Member Goolsbee Speaks
Oct 18	EUR	Italian Trade Balance	Oct 20	EUR	German PPI m/m

News

U.S. single-family homebuilding rebounded in September, boosted by demand for new construction amid an acute housing shortage, but the highest mortgage rates in nearly 23 years could slow momentum and delay the overall housing market recovery. That was flagged by other data showing applications for loans to purchase a home plunged last week to levels last seen in 1995. In addition, the jump in housing starts partially recouped the decline in August. The reports followed on the heels of news on Tuesday that confidence among single-family homebuilders slumped to a nine-month low in October, with builders reporting lower levels of traffic. Single-family housing starts, which account for the bulk of homebuilding, increased 3.2% to a seasonally adjusted annual rate of 963,000 units last month, the Commerce Department said. Data for August was revised to show starts dropping to a rate of 933,000 units instead of 941,000 units as previously reported. The housing market had shown signs of stabilizing before mortgage rates resumed their upward trend late in the summer, with the rate on the popular 30-year fixed mortgage breaking above 7% in August. According to the Mortgage Bankers Association, the average contract interest rate on a 30-year fixed-rate mortgage rose 3 basis points to 7.70% last week, the highest since November 2000.

The International Monetary Fund (IMF) downgraded its 2023 and 2024 growth forecasts for China, saying its recovery was "losing steam" and citing weakness in its property sector. The world's second-largest economy is expected to expand by 5% this year and 4.2% next year, down from 5.2% and 4.5% in the IMF's April forecast, the institution said in a regional economic outlook report. "In China, the recovery is losing steam, with manufacturing purchasing managers' indexes entering contracting territory from April to August and conditions in the real estate sector weakening further," said the report. The report projected that a prolonged housing market correction in China would in the near-term "trigger greater financial stress among property developers and larger asset quality deterioration". The impact of that could cause China's gross domestic product (GDP) to decline by as much as 1.6% percent relative to the baseline by 2025, while world GDP would decline by 0.6% relative to the baseline, it added. The IMF's 2023 outlook for Asia and the Pacific was brighter, with IMF calling it "the most dynamic region this year".

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