

KEDIA ADVISORY

# DAILY CURRENCY OUTLOOK

20 Dec 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-Dec-23	83.1050	83.2425	83.1050	83.2075	0.16
USDINR	29-Jan-24	83.1850	83.3275	83.1825	83.2900	0.16
EURINR	27-Dec-23	90.7875	91.0875	90.7875	91.0000	0.37
EURINR	29-Jan-24	90.9700	91.2575	90.9225	91.1700	0.37
GBPINR	27-Dec-23	105.1975	105.7100	105.1950	105.6450	0.45
GBPINR	29-Jan-24	105.3175	105.8125	105.3175	105.7425	0.43
JPYINR	27-Dec-23	58.0200	58.5000	57.5125	57.5850	-1.24
JPYINR	29-Jan-24	58.6000	58.8600	57.9050	57.9750	-1.24

## Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	27-Dec-23	0.16	-0.54	Short Covering
USDINR	29-Jan-24	0.16	19.48	Fresh Buying
EURINR	27-Dec-23	0.37	12.87	Fresh Buying
EURINR	29-Jan-24	0.37	25.23	Fresh Buying
GBPINR	27-Dec-23	0.45	15.74	Fresh Buying
GBPINR	29-Jan-24	0.43	9.90	Fresh Buying
JPYINR	27-Dec-23	-1.24	0.84	Fresh Selling
JPYINR	29-Jan-24	-1.24	50.30	Fresh Selling

## Global Indices

Index	Last	%Chg
Nifty	21453.10	0.16
Dow Jones	37557.92	0.68
NASDAQ	15003.22	0.66
CAC	7574.67	0.08
FTSE 100	7638.03	0.31
Nikkei	33814.53	1.79

## International Currencies

Currency	Last	% Change
EURUSD	1.097	-0.10
GBPUSD	1.272	-0.09
USDJPY	143.85	-0.03
USDCAD	1.3345	0.07
USDAUD	1.4782	-0.06
USDCHF	86.12	0.08

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## Technical Snapshot



**SELL USDINR DEC @ 83.25 SL 83.4 TGT 83.1-83.**

### Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	83.2075	83.33	83.28	83.19	83.14	83.05
29-Jan-24	83.2900	83.42	83.36	83.27	83.21	83.12

### Observations

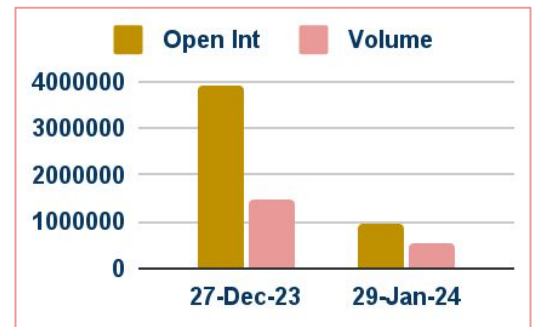
USDINR trading range for the day is 83.05-83.33.

Rupee dropped as Fed policymakers tempered U.S. rate cut expectations, while demand for the greenback from importers also hurt.

Indian economy to grow 6.3% in FY24 and FY25: IMF

Fed's Goolsbee said the central bank is not pre-committing to cutting interest rates soon.

### OI & Volume



### Spread

Currency	Spread
USDINR JAN-DEC	0.0825

Technical Snapshot



**SELL EURINR DEC @ 91.3 SL 91.6 TGT 91-90.8.**

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	91.0000	91.26	91.13	90.96	90.83	90.66
29-Jan-24	91.1700	91.46	91.32	91.12	90.98	90.78

Observations

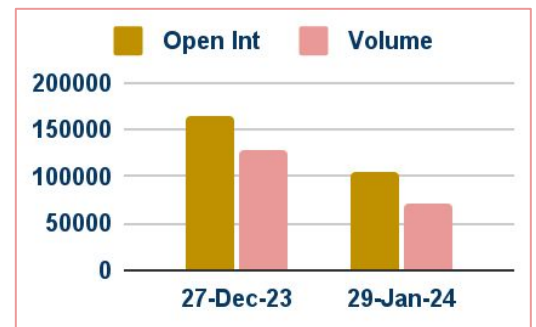
EURINR trading range for the day is 90.66-91.26.

Euro gains as traders continue to assess the monetary policy outlook and bet major central banks will start cutting interest rates next year

ECB's Villeroy said that "we will not raise interest anymore."

ECB officials continued to push back against the market expectations for a cut in key rates in the first half of next year.

OI & Volume



Spread

Currency	Spread
EURINR JAN-DEC	0.1700



## Technical Snapshot



**SELL GBPINR DEC @ 106 SL 106.3 TGT 105.6-105.5.**

### Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	105.6450	106.04	105.85	105.52	105.33	105.00
29-Jan-24	105.7425	106.11	105.92	105.62	105.43	105.13

### Observations

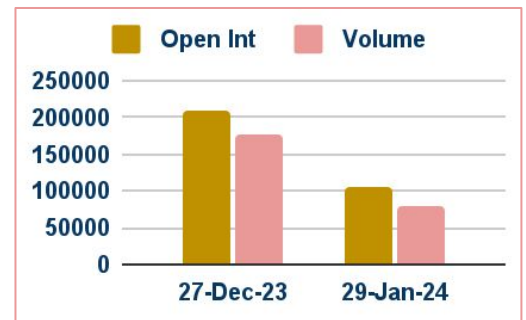
GBPINR trading range for the day is 105-106.04.

GBP remained steady as investors turn cautious ahead of UK inflation data.

The UK inflation is seen falling further due to BoE's tight interest rate policy.

BoE Broadbent turns spotlight on wage growth related inflation.

### OI & Volume



### Spread

Currency	Spread
GBPINR JAN-DEC	0.0975

Technical Snapshot



**BUY JPYINR DEC @ 57.5 SL 57.3 TGT 57.75-57.95.**

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	57.5850	58.86	58.23	57.87	57.24	56.88
29-Jan-24	57.9750	59.21	58.60	58.25	57.64	57.29

Observations

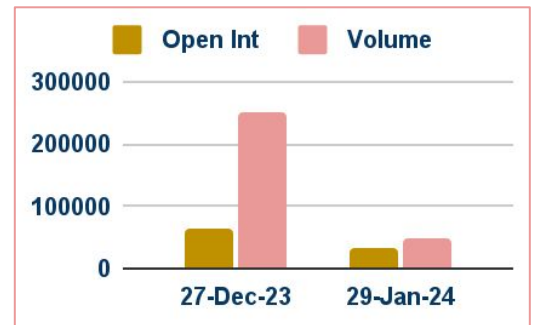
JPYINR trading range for the day is 56.88-58.86.

JPY weakened after the central bank maintained its ultra-loose monetary policy

BoJ maintained its key short-term interest rate at -0.1% and that of 10-year bond yields at around 0%

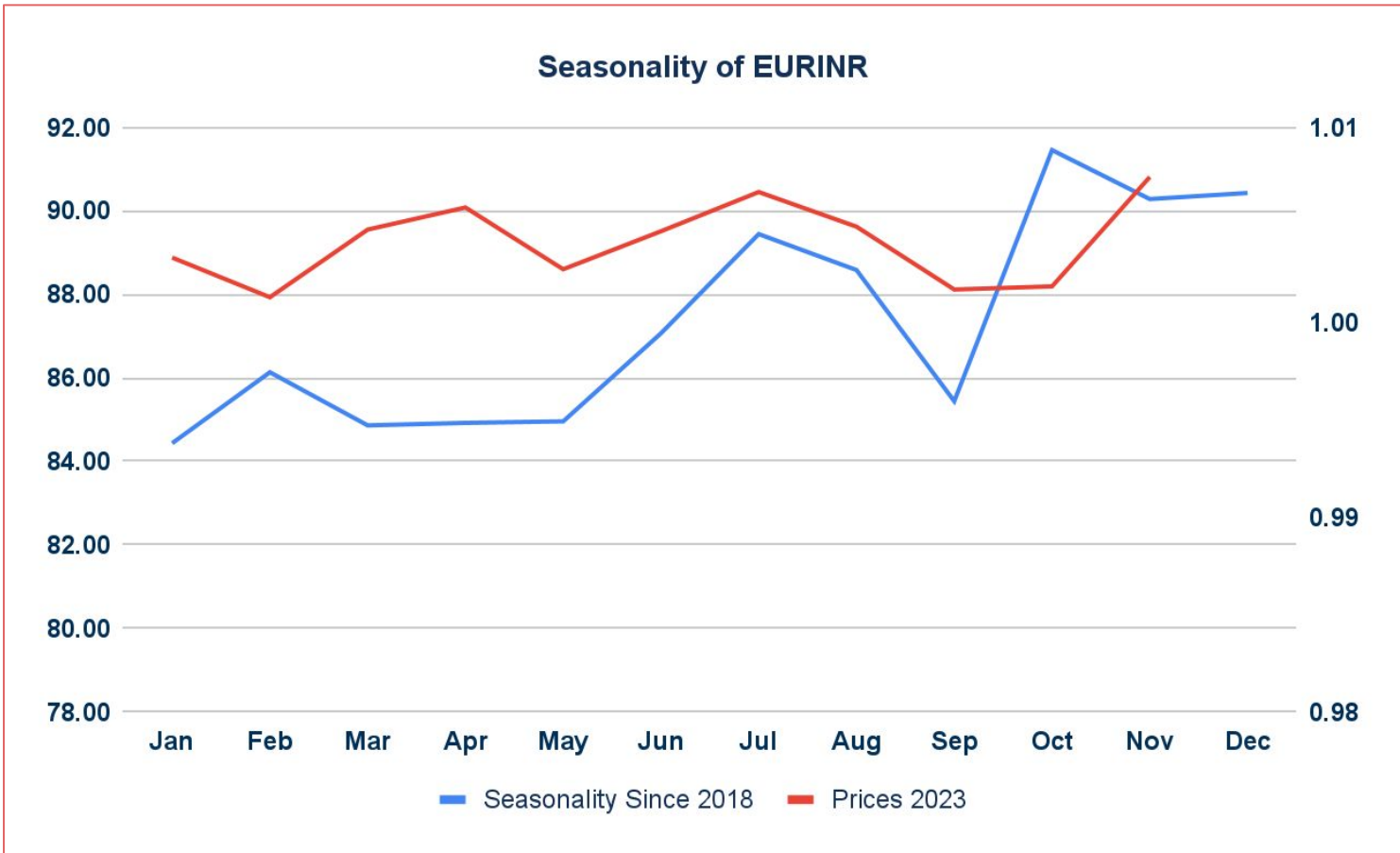
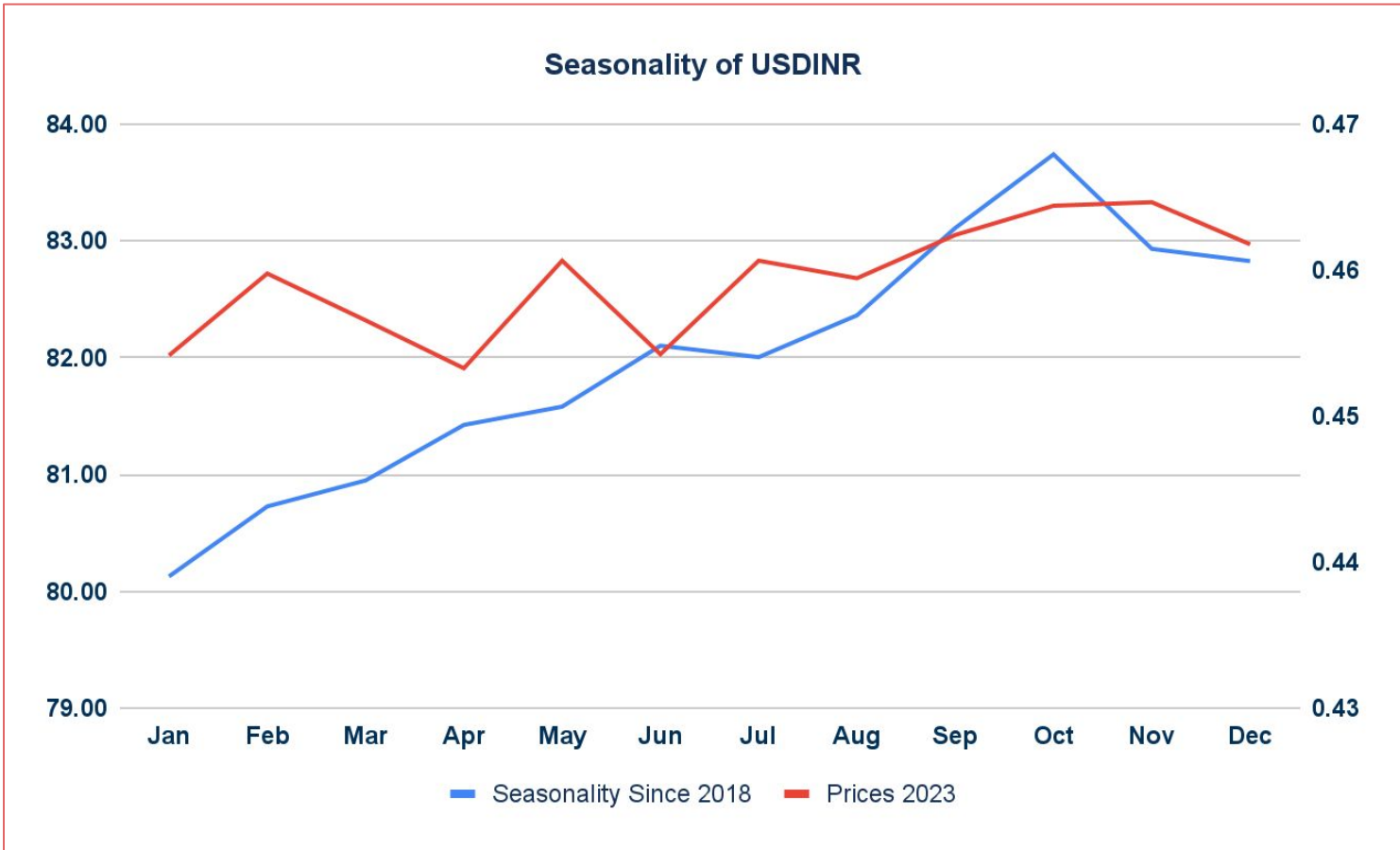
BoJ aims to achieve a price stability target of 2% in a sustainable manner, accompanied by wage increases.

OI & Volume



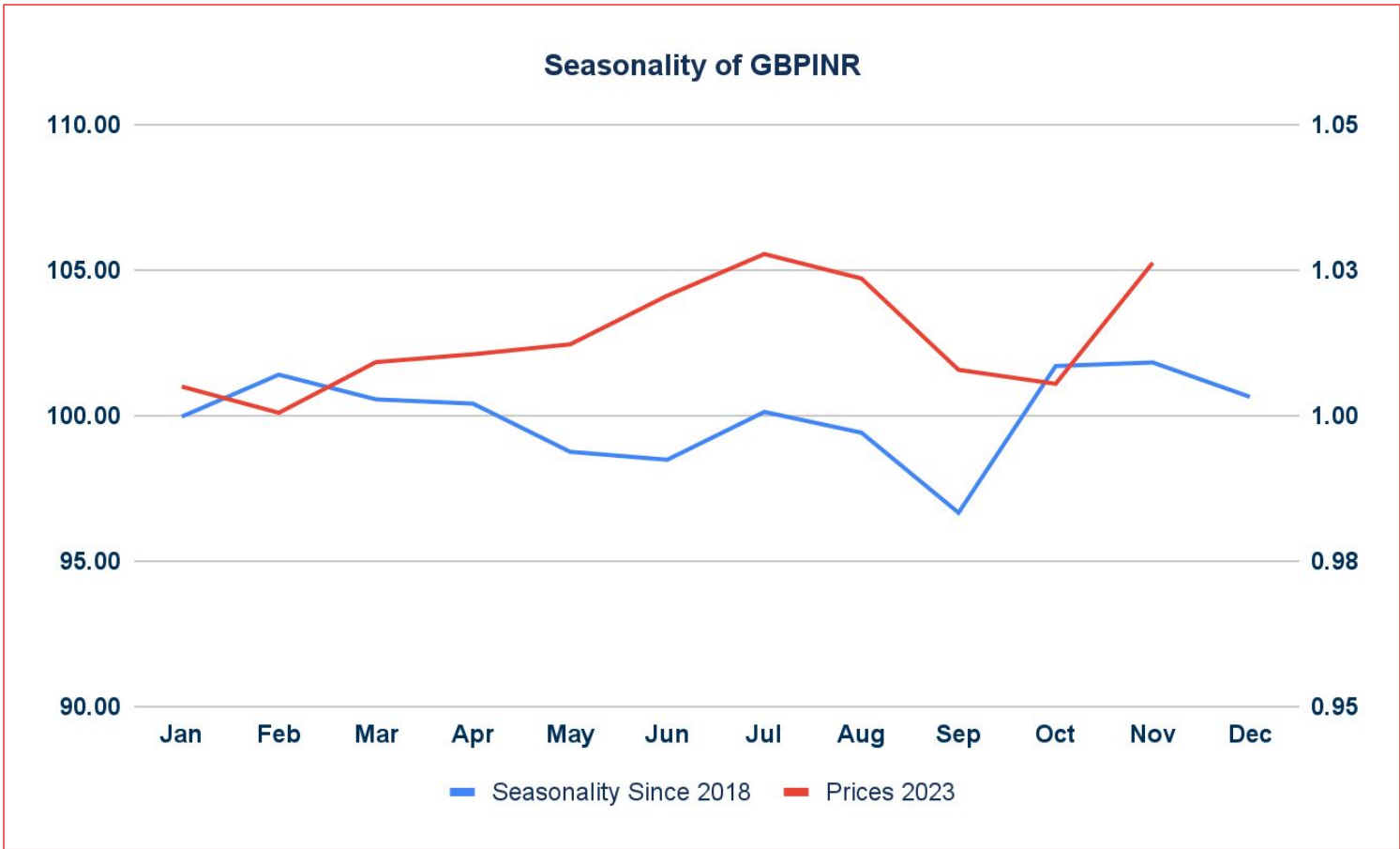
Spread

Currency	Spread
JPYINR JAN-DEC	0.3900



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## Economic Data

Date	Curr.	Data
Dec 18	EUR	German ifo Business Climate
Dec 18	USD	NAHB Housing Market Index
Dec 19	EUR	Final Core CPI y/y
Dec 19	EUR	Final CPI y/y
Dec 19	USD	Building Permits
Dec 19	USD	Housing Starts
Dec 20	EUR	German GfK Consumer Climate
Dec 20	EUR	German PPI m/m
Dec 20	EUR	Current Account
Dec 20	USD	Current Account
Dec 20	EUR	Consumer Confidence
Dec 20	USD	CB Consumer Confidence
Dec 20	USD	Existing Home Sales
Dec 20	USD	Crude Oil Inventories
Dec 21	USD	Final GDP q/q

Date	Curr.	Data
Dec 21	USD	Unemployment Claims
Dec 21	USD	Final GDP Price Index q/q
Dec 21	USD	Philly Fed Manufacturing Index
Dec 21	USD	CB Leading Index m/m
Dec 21	USD	Natural Gas Storage
Dec 22	EUR	German Import Prices m/m
Dec 22	USD	Core PCE Price Index m/m
Dec 22	USD	Core Durable Goods Orders m/m
Dec 22	USD	Durable Goods Orders m/m
Dec 22	USD	Personal Income m/m
Dec 22	USD	Personal Spending m/m
Dec 22	EUR	Belgian NBB Business Climate
Dec 22	USD	Revised UoM Consumer Sentiment
Dec 22	USD	New Home Sales
Dec 22	USD	Revised UoM Inflation Expectations

## News

The Bank of Japan maintained ultra-loose monetary settings on Tuesday in a widely expected move, underscoring policymakers' preference to await more clues on whether wages will rise enough to keep inflation durably around its 2% target. The central bank also made no change to its dovish policy guidance, dashing hopes among some traders it would tweak the language to signal a near-term end to negative interest rates. Markets are focusing on any clues Governor Kazuo Ueda offers at his post-meeting briefing on how soon the central bank could take short-term rates out of negative territory. "Ueda probably wants to exit negative rates in April if next year's wage negotiation outcome is positive," said Hiroaki Muto, an economist at Sumitomo Life Insurance. "The BOJ may be trying to avoid heightening market expectations of an imminent exit." At the two-day meeting that ended on Tuesday, the BOJ kept its short-term rate target at -0.1% and that for the 10-year government bond yield around 0%. It also left unchanged a loose upper band of 1.0% set for the 10-year yield.

The euro zone turned from trade deficit to surplus in October, non-adjusted data showed, as imports of energy in particular declined in value from a year earlier. The European Union statistics office Eurostat said the seasonally unadjusted trade balance of the 20 countries sharing the euro was an 11.1 billion euro (\$12.2 billion) surplus compared with a 28.7 billion euro deficit a year earlier. Adjusted for seasonal swings, the October trade surplus was 10.9 billion euros, up from 8.7 billion euros in September. For the European Union as a whole, the trade surplus in manufacturing goods rose to 313.5 billion euros in Jan-Oct 2023, roughly double the level of a year earlier, with machinery, including vehicles, the main contributor. The EU's trade deficit with Russia fell sharply to 11.0 billion euros from 134.4 billion euros in the same period compared with last year as the 27-nation bloc sharply reduced its purchases of oil and gas and benefited from lower energy prices. The EU's trade deficit with China also narrowed in Jan-Oct, while its trade surplus with the United States widened. The bloc's surplus with Britain also expanded.

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