

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

08 Nov 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	28-Nov-23	83.2650	83.2950	83.2375	83.2925	0.07
USDINR	27-Dec-23	83.3400	83.3725	83.3375	83.3675	0.06
EURINR	28-Nov-23	89.3700	89.3700	88.9875	89.0150	-0.55
EURINR	27-Dec-23	89.4400	89.4625	89.1725	89.2025	-0.54
GBPINR	28-Nov-23	102.8675	102.8675	102.3350	102.3775	-0.93
GBPINR	27-Dec-23	102.8850	102.8975	102.4300	102.4725	-0.91
JPYINR	28-Nov-23	55.7650	55.7650	55.5700	55.6225	-0.45
JPYINR	27-Dec-23	56.1000	56.1000	55.9125	55.9650	-0.41

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	28-Nov-23	0.07	-0.87	Short Covering
USDINR	27-Dec-23	0.06	3.09	Fresh Buying
EURINR	28-Nov-23	-0.55	-10.73	Long Liquidation
EURINR	27-Dec-23	-0.54	-4.65	Long Liquidation
GBPINR	28-Nov-23	-0.93	-19.24	Long Liquidation
GBPINR	27-Dec-23	-0.91	-16.54	Long Liquidation
JPYINR	28-Nov-23	-0.45	8.44	Fresh Selling
JPYINR	27-Dec-23	-0.41	-1.13	Long Liquidation

Global Indices

Index	Last	%Chg
Nifty	19406.70	-0.03
Dow Jones	34152.60	0.17
NASDAQ	13639.86	0.90
CAC	6986.23	-0.39
FTSE 100	7410.04	-0.10
Nikkei	32333.22	0.19

International Currencies

Currency	Last	% Change
EURUSD	1.0693	-0.03
GBPUSD	1.229	-0.02
USDJPY	150.47	0.06
USDCAD	1.3762	-0.05
USDAUD	1.5522	-0.18
USDCHF	90.03	0.03

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Technical Snapshot



SELL USDINR NOV @ 83.3 SL 83.55 TGT 83.12-83.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
28-Nov-23	83.2925	83.33	83.32	83.28	83.27	83.23
27-Dec-23	83.3675	83.39	83.38	83.36	83.35	83.33

Observations

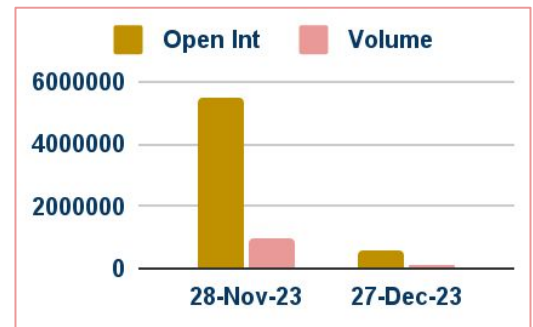
USDINR trading range for the day is 83.23-83.33.

Rupee remained in range as investors awaited comments by senior Federal Reserve officials this week for fresh cues.

Rupee far forward premiums dropped with the one-year implied yield falling to 1.61%, down three basis points from the previous session

U.S. Treasury yields and the dollar retreated after data signalled the labour market in the world's largest economy was cooling

OI & Volume



Spread

Currency	Spread
USDINR DEC-NOV	0.0750

Technical Snapshot



SELL EURINR NOV @ 89.2 SL 89.4 TGT 89-88.85.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
28-Nov-23	89.0150	89.50	89.25	89.12	88.87	88.74
27-Dec-23	89.2025	89.57	89.39	89.28	89.10	88.99

Observations

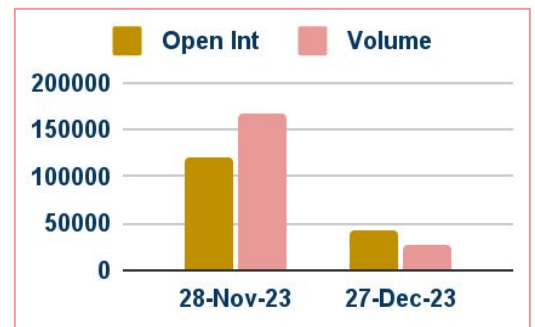
EURINR trading range for the day is 88.74-89.5.

Euro dropped as caution dominated sentiment globally, with a rebound in the dollar and Treasury yields putting pressure

Industrial production in Germany sank 1.4% month-over-month in September 2023, following a downwardly revised 0.1% fall in August

Investors will assess a raft of economic reports in the region including Eurozone producer inflation and German industrial production data.

OI & Volume



Spread

Currency	Spread
USDINR DEC-NOV	0.0750

Technical Snapshot



SELL GBPINR NOV @ 102.5 SL 102.75 TGT 102.2-102.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
28-Nov-23	102.3775	103.07	102.73	102.53	102.19	101.99
27-Dec-23	102.4725	103.07	102.77	102.60	102.30	102.13

Observations

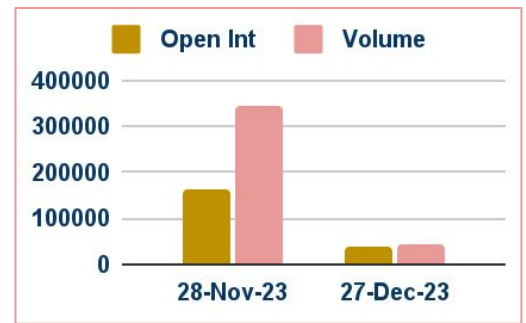
GBPINR trading range for the day is 101.99-103.07.

GBP dropped amid a strengthening U.S. dollar, with investors closely watching economic data and market bets on the BOE's future moves

Retail sales in the United Kingdom rose 2.6% on a like-for-like basis in October 2023 from a year ago

The Halifax House Price Index declined by 3.2% year-on-year in October 2023

OI & Volume



Spread

Currency	Spread
USDINR DEC-NOV	0.0750

Technical Snapshot



SELL JPYINR NOV @ 55.65 SL 55.85 TGT 55.45-55.25.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
28-Nov-23	55.6225	55.84	55.73	55.65	55.54	55.46
27-Dec-23	55.9650	56.18	56.07	55.99	55.88	55.80

Observations

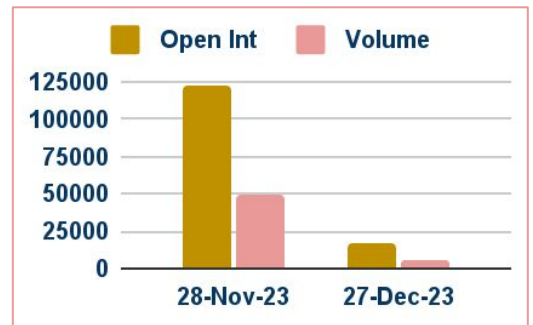
JPYINR trading range for the day is 55.46-55.84.

JPY weakened weighed down by a rebound in the dollar and Treasury yields

Average cash earnings in Japan increased by 1.2% year-on-year in September 2023

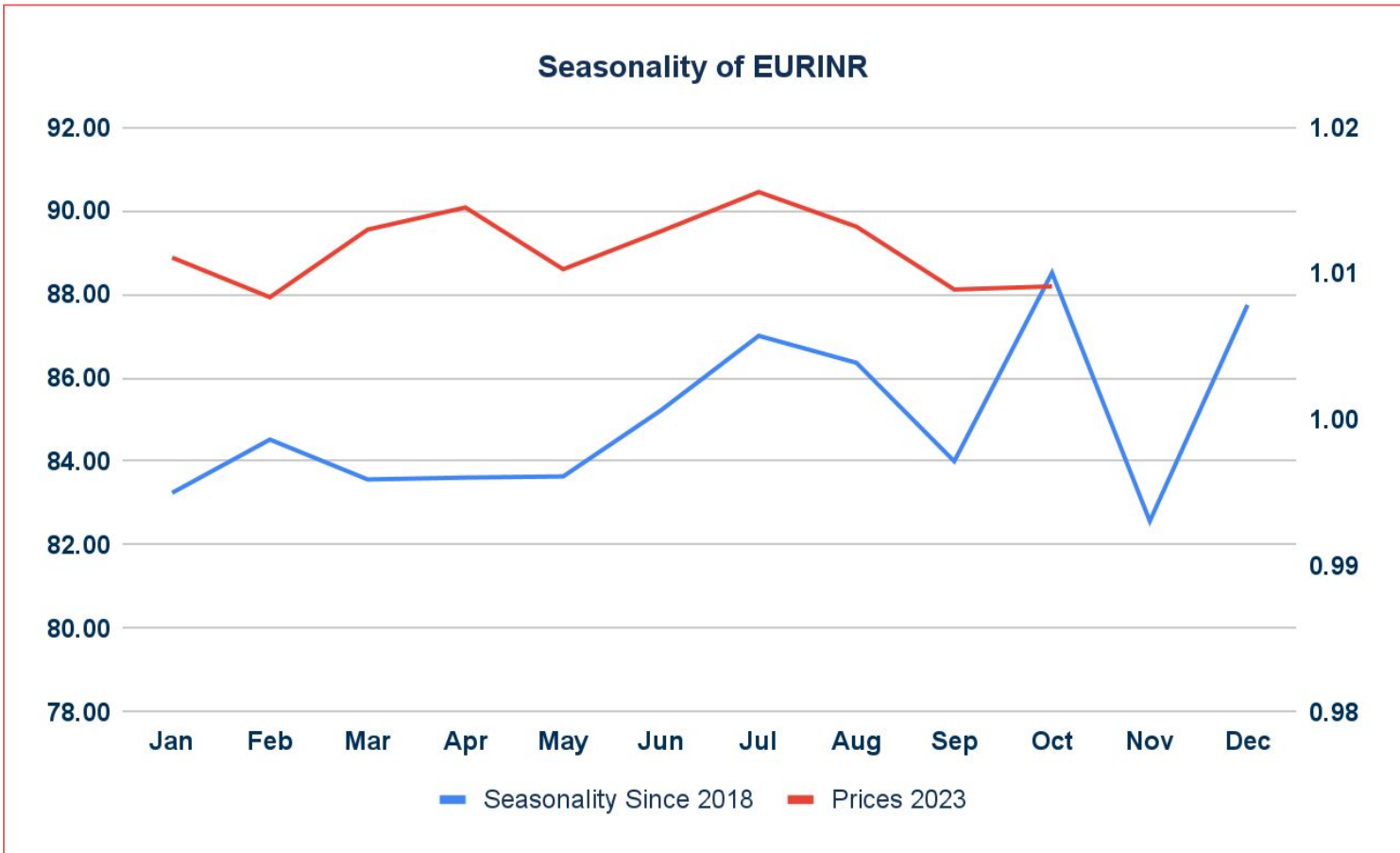
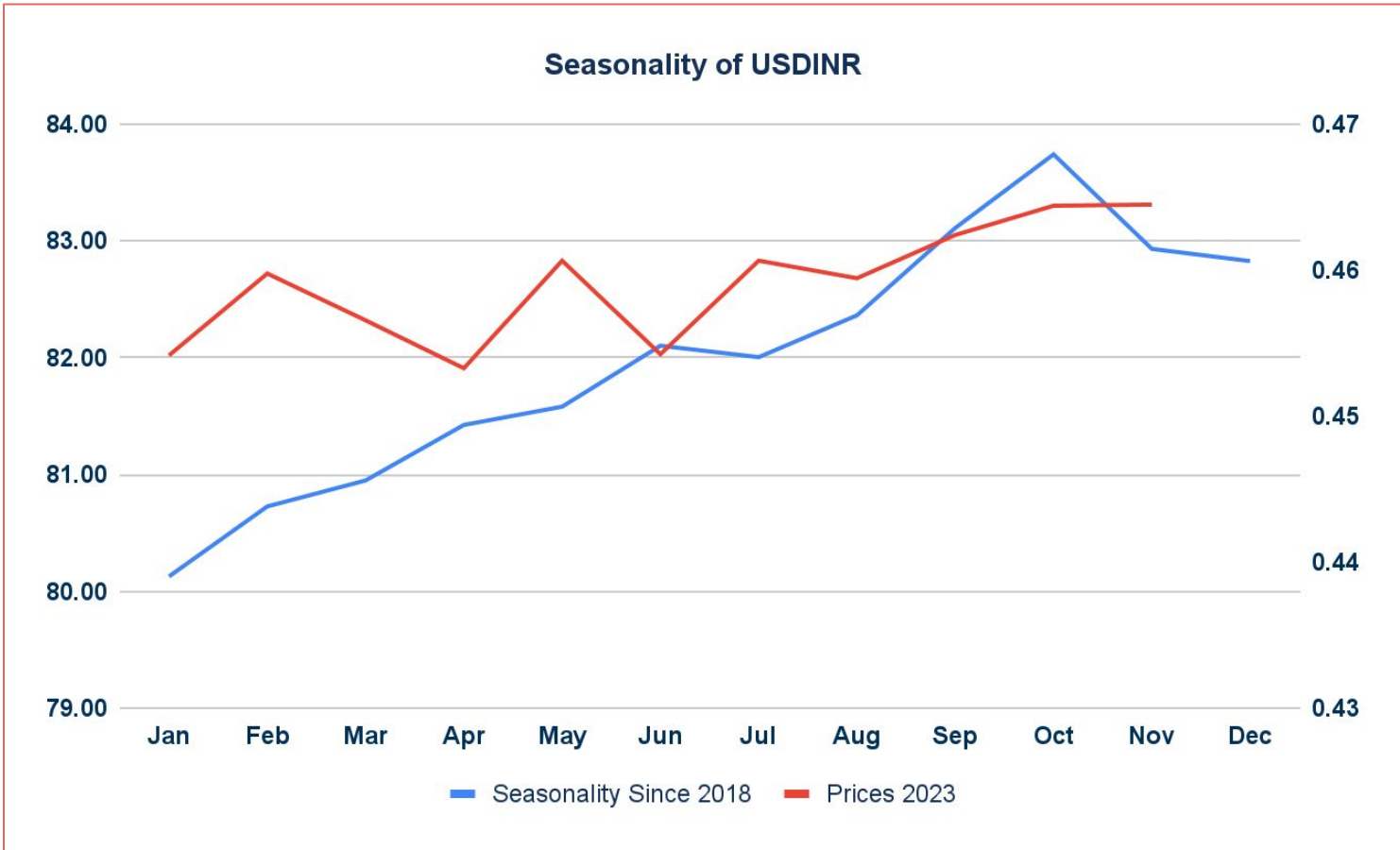
Household spending in Japan declined in real terms by 2.8% yoy in September 2023

OI & Volume



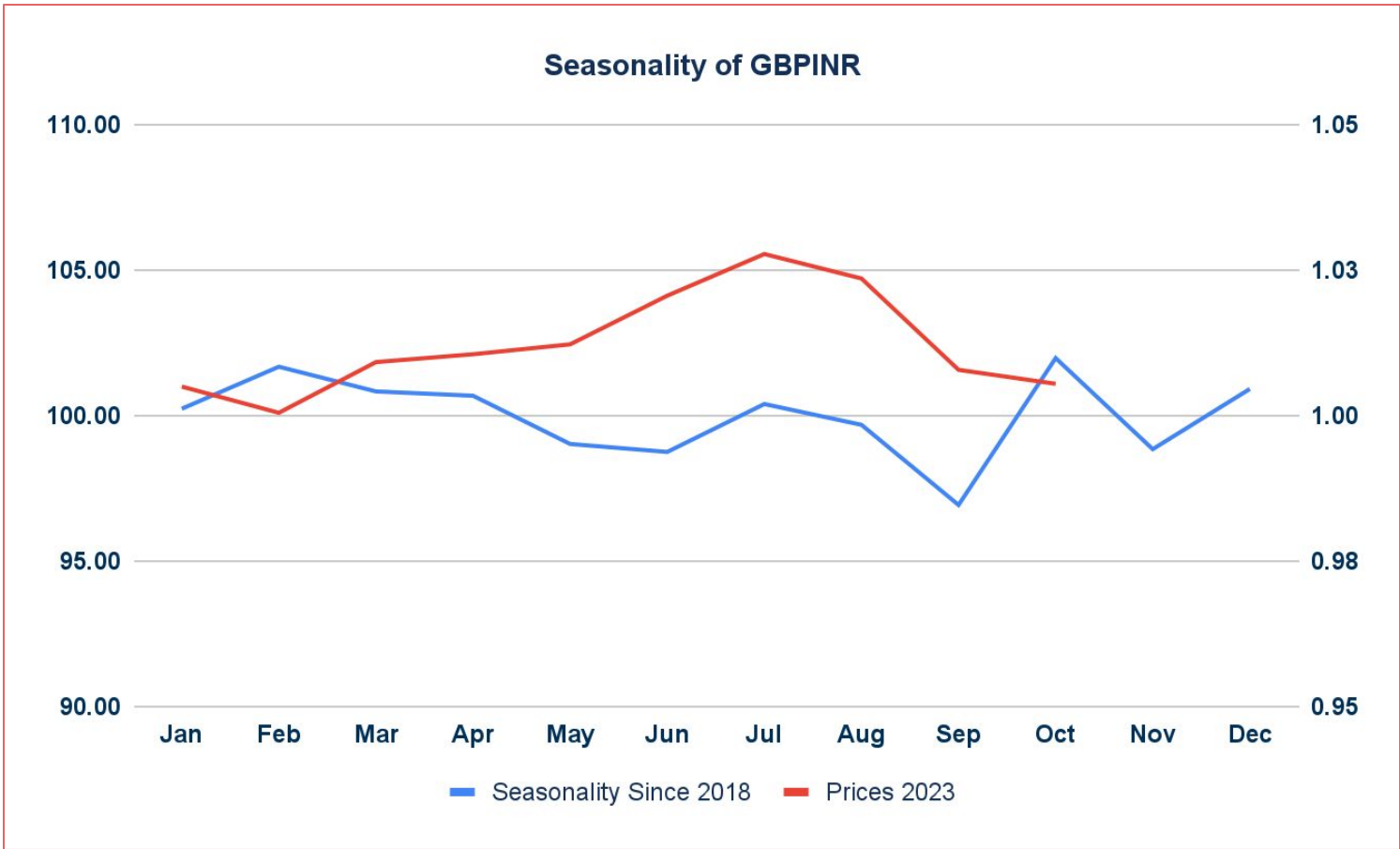
Spread

Currency	Spread
USDINR DEC-NOV	0.0750



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Economic Data

Date	Curr.	Data	Date	Curr.	Data
Nov 6	EUR	German Factory Orders m/m	Nov 8	EUR	Italian Retail Sales m/m
Nov 6	EUR	Spanish Services PMI	Nov 8	EUR	Eurogroup Meetings
Nov 6	EUR	Italian Services PMI	Nov 8	EUR	Retail Sales m/m
Nov 6	EUR	French Final Services PMI	Nov 8	EUR	German 10-y Bond Auction
Nov 6	EUR	German Final Services PMI	Nov 8	USD	Final Wholesale Inventories m/m
Nov 6	EUR	Final Services PMI	Nov 8	USD	10-y Bond Auction
Nov 6	EUR	Sentix Investor Confidence	Nov 9	EUR	ECB Economic Bulletin
Nov 7	EUR	Industrial Production m/m	Nov 9	USD	Unemployment Claims
Nov 7	EUR	PPI m/m	Nov 9	EUR	ECB President Lagarde Speaks
Nov 7	USD	Trade Balance	Nov 9	USD	30-y Bond Auction
Nov 7	USD	FOMC Member Barr Speaks	Nov 10	USD	Fed Chair Powell Speaks
Nov 8	USD	FOMC Member Logan Speaks	Nov 10	EUR	Italian Industrial Production m/m
Nov 8	USD	Consumer Credit m/m	Nov 10	USD	FOMC Member Logan Speaks
Nov 8	EUR	German Final CPI m/m	Nov 10	USD	Prelim UoM Consumer Sentiment
Nov 8	EUR	French Trade Balance	Nov 10	USD	Prelim UoM Inflation Expectations

News

China recorded its first-ever quarterly deficit in foreign direct investment (FDI), according to balance of payments data, underscoring capital outflow pressure and Beijing's challenge in wooing overseas companies in the wake of a "de-risking" move by Western governments. Direct investment liabilities - a broad measure of FDI that includes foreign companies' retained earnings in China - were a deficit of \$11.8 billion during the July-September period, according to preliminary balance of payments data. That's the first quarterly shortfall since China's foreign exchange regulator began compiling the data in 1998, which could be linked to the impact of "de-risking" by Western countries from China, as well as China's interest rate disadvantage. "Some of the weakness in China's inward FDI may be due to multinational companies repatriating earnings," Goldman Sachs wrote. "With interest rates in China 'lower for longer' while interest rates outside of China 'higher for longer', capital outflow pressures are likely to persist." Julian Evans-Pritchard, head of China economics at Capital Economics, said the unusually-large interest rate gap "has led firms to remit their retained earnings out of the country".

An escalating geopolitical climate, marked by disruptions from the COVID-19 pandemic and Russia's conflict in Ukraine, is leading multinational corporations to reconsider their global production strategies, according to a European Central Bank (ECB) survey. The study, which included 65 major global firms contributing to 5% of the euro zone's economic output, revealed that companies are shifting their focus towards resilience, alongside cost and efficiency. The survey found 40% of multinational corporations contemplating relocating production to politically amicable countries due to major risks associated with China, identified as the "dominant source of critical inputs" and a frequent point of risk due to strained EU-US relations. Two-thirds of respondents recognized China as a potential supply chain risk. Most firms source critical materials from specific countries, notably China, and admit an elevated risk with these supplies. In addition to these shifts, the survey indicated that 49% of firms are interested in "near-shoring", or transferring production closer to points of sale.

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