

# KEDIA ADVISORY



## DAILY CURRENCY OUTLOOK

- USDINR
- EURINR
- GBPINR
- JPYINR



Kedia Stocks & Commodities Research Pvt. Ltd.

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## Domestic Currencies

Currency	Expiry	Open	High	Low	Close	% Change
USDINR	29-May-24	83.5300	83.6225	83.4800	83.5950	0.09
USDINR	26-Jun-24	83.6425	83.7050	83.5875	83.6850	0.06
EURINR	29-May-24	89.6000	89.9000	89.5300	89.8375	0.30
EURINR	26-Jun-24	89.7000	89.8250	89.7000	89.8225	0.14
GBPINR	29-May-24	104.5600	104.8700	104.5600	104.8400	0.23
GBPINR	26-Jun-24	104.6600	104.8000	104.6600	104.7975	0.14
JPYINR	29-May-24	54.3400	54.3700	54.1000	54.3350	-0.18
JPYINR	26-Jun-24	55.1300	55.1300	55.0800	55.1000	-0.09

## Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	29-May-24	0.09	0.61	Fresh Buying
USDINR	26-Jun-24	0.06	1.03	Fresh Buying
EURINR	29-May-24	0.30	0.85	Fresh Buying
EURINR	26-Jun-24	0.14	-1.65	Short Covering
GBPINR	29-May-24	0.23	0.82	Fresh Buying
GBPINR	26-Jun-24	0.14	0.63	Fresh Buying
JPYINR	29-May-24	-0.18	2.67	Fresh Selling
JPYINR	26-Jun-24	-0.09	-2.04	Long Liquidation

## Global Indices

Index	Last	%Chg
Nifty	22442.70	-0.15
Dow Jones	38852.27	0.46
NASDAQ	16349.25	1.19
CAC	7996.64	0.49
FTSE 100	8213.49	0.51
Nikkei	38651.51	1.09

## International Currencies

Currency	Last	% Change
EURUSD	1.0765	-0.02
GBPUSD	1.2556	-0.03
USDJPY	154.45	0.14
USDCAD	1.3677	0.04
USDAUD	1.5102	0.03
USDCHF	90.75	0.07

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## Technical Snapshot



**SELL USDINR MAY @ 83.6 SL 83.75 TGT 83.45-83.3.**

### Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-May-24	83.5950	83.71	83.66	83.57	83.52	83.43
26-Jun-24	83.6850	83.77	83.73	83.66	83.62	83.55

### Observations

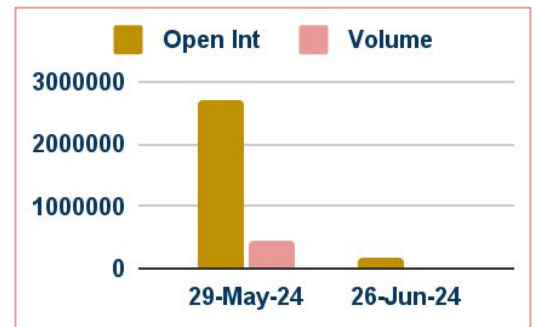
USDINR trading range for the day is 83.43-83.71.

Rupee ended lower as dollar demand from local oil companies and other importers

The HSBC India Services PMI was revised lower to 60.8 in April 2024 from 61.7 in the preliminary estimates

Fed officials have emphasised that they expect inflation to decline with the central bank holding rates steady.

### OI & Volume



### Spread

Currency	Spread
USDINR JUN-MAY	0.0900

**Technical Snapshot**



**SELL EURINR MAY @ 90 SL 90.2 TGT 89.8-89.6.**

**Trading Levels**

Expiry	Close	R2	R1	PP	S1	S2
29-May-24	89.8375	90.13	89.99	89.76	89.62	89.39
26-Jun-24	89.8225	89.90	89.86	89.78	89.74	89.66

**Observations**

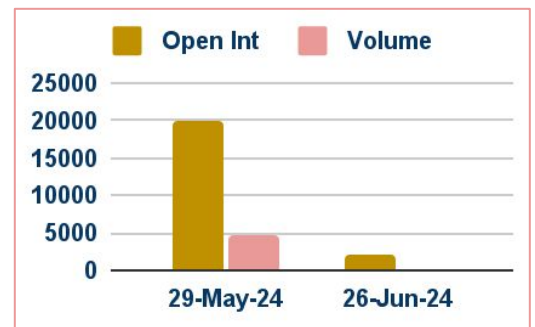
EURINR trading range for the day is 89.39-90.13.

Euro gains as traders revised their expectations for interest rate cuts

Euro zone business activity grows at fastest pace in almost a year

German services sector picks up pace in April, PMI shows

**OI & Volume**



**Spread**

Currency	Spread
EURINR JUN-MAY	-0.0150



## Technical Snapshot



**SELL GBPINR MAY @ 105 SL 105.3 TGT 104.7-104.45.**

### Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-May-24	104.8400	105.07	104.96	104.76	104.65	104.45
26-Jun-24	104.7975	104.89	104.84	104.75	104.70	104.61

### Observations

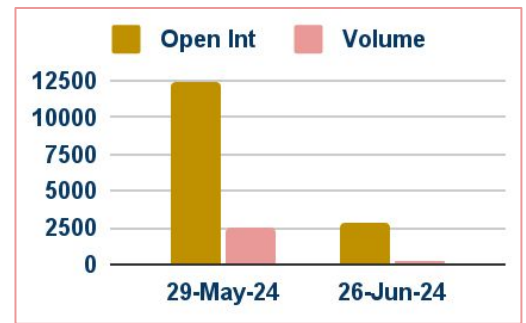
GBPINR trading range for the day is 104.45-105.07.

GBP gains as traders recalibrated their expectations for the timing of interest rate cuts in 2024

Bank of England is expected to keep rates unchanged next week but investors are fully pricing the first cut in August instead of September.

BoE Governor Andrew Bailey expressed optimism as British inflation appeared on track to meet the 2% target.

### OI & Volume



### Spread

Currency	Spread
GBPINR JUN-MAY	-0.0425

**Technical Snapshot**



**SELL JPYINR MAY @ 54.35 SL 54.55 TGT 54.15-54.**

**Trading Levels**

Expiry	Close	R2	R1	PP	S1	S2
29-May-24	54.3350	54.54	54.44	54.27	54.17	54.00
26-Jun-24	55.1000	55.15	55.12	55.10	55.07	55.05

**Observations**

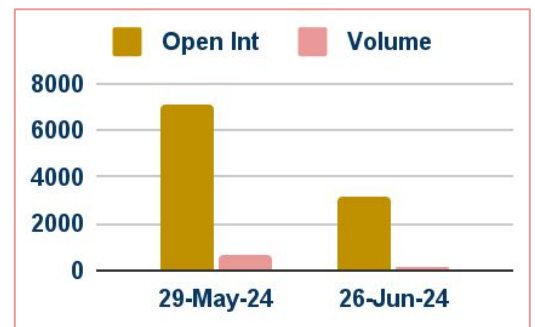
JPYINR trading range for the day is 54-54.54.

JPY dropped as most investors were away for a public holiday, although intervention risks remain.

US Treasury Secretary counsels caution on currency intervention from Japanese authorities.

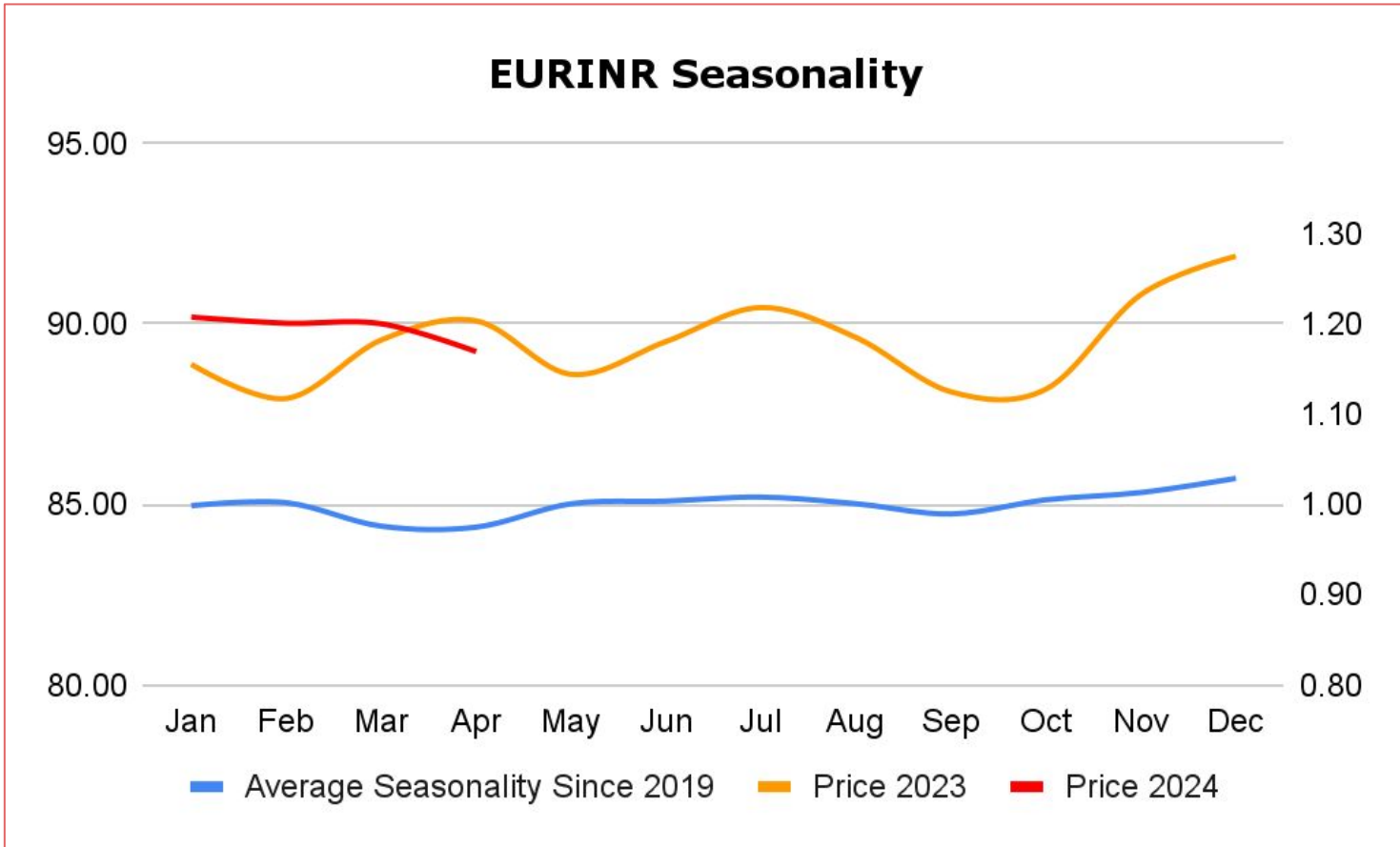
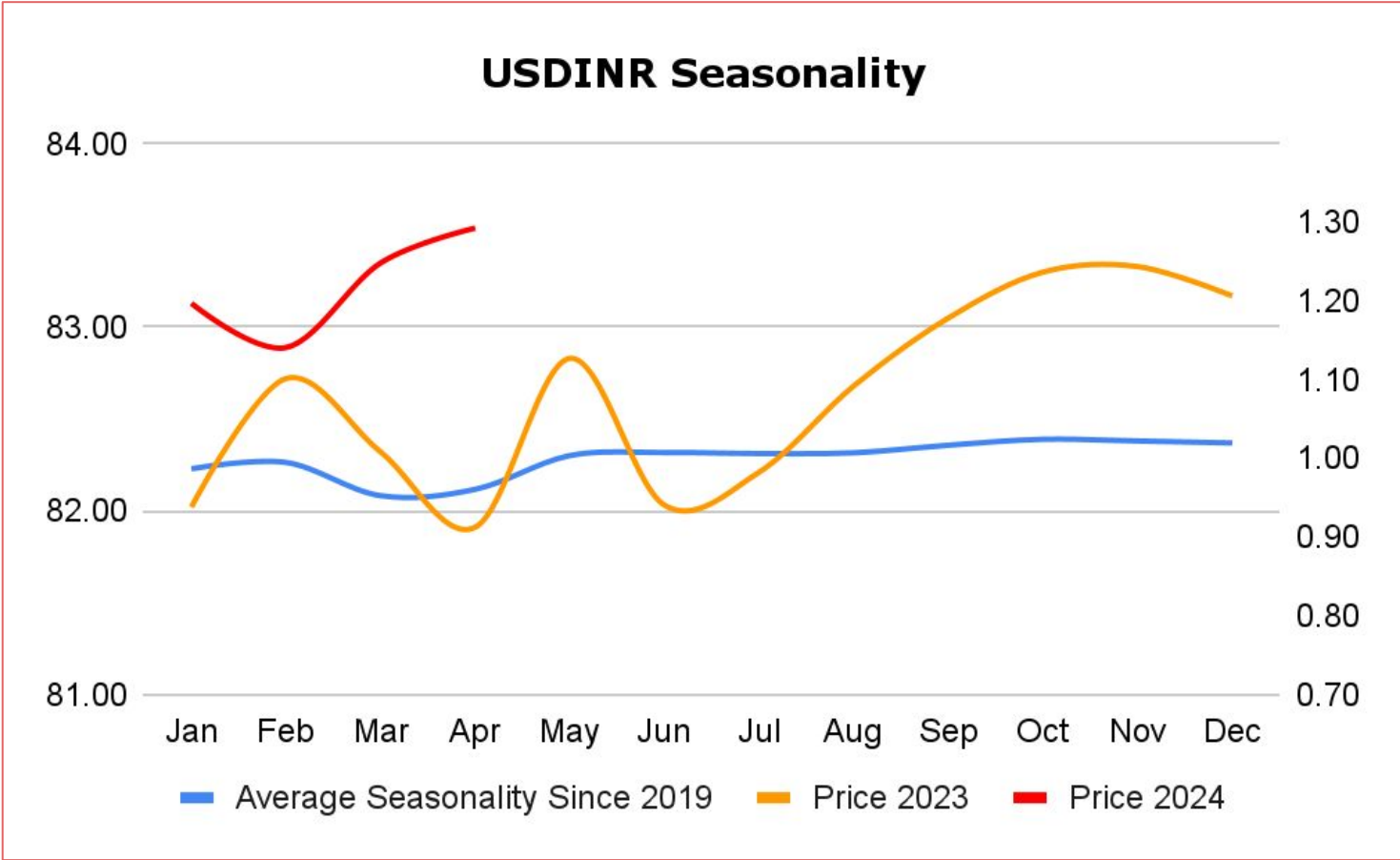
The BOJ kept interest rates ultra-low despite high borrowing costs abroad

**OI & Volume**



**Spread**

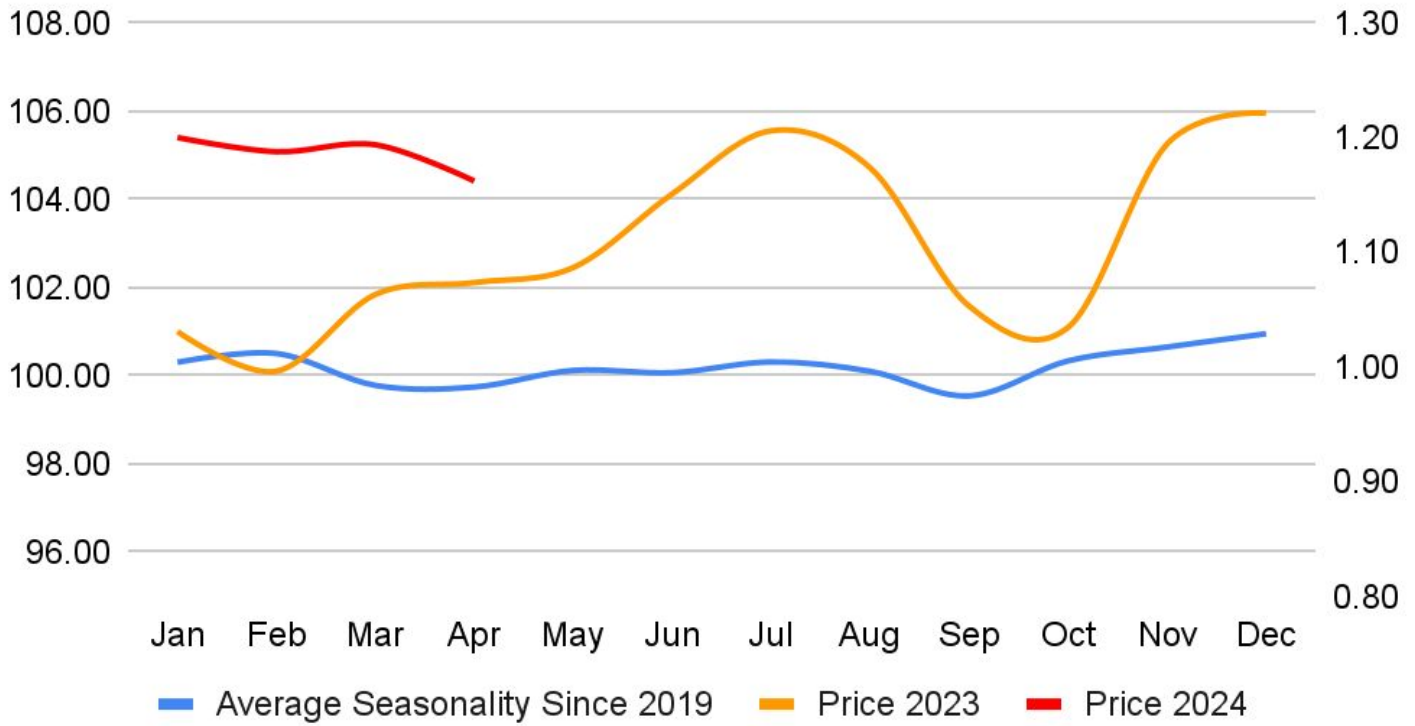
Currency	Spread
JPYINR JUN-MAY	0.7650



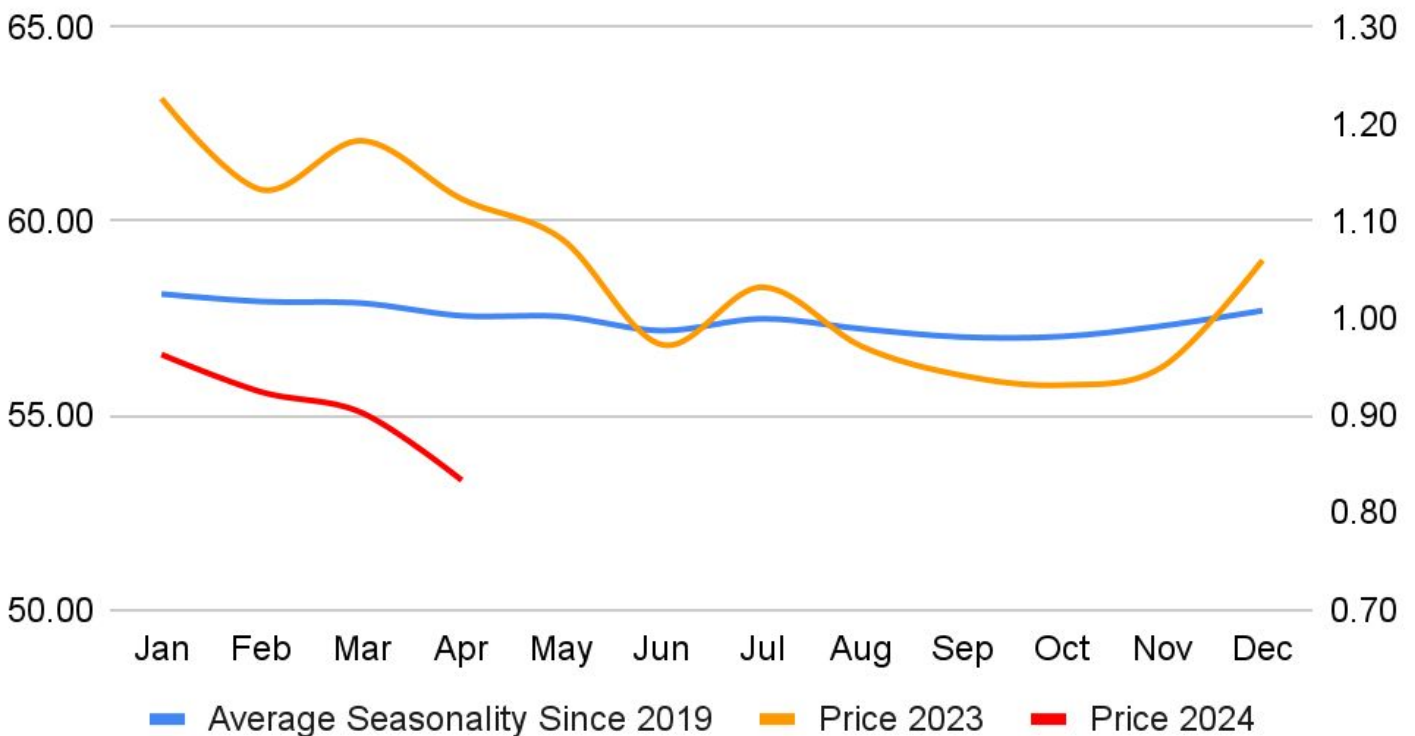
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## GBPINR Seasonality



## JPYINR Seasonality



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## Economic Data

Date	Curr.	Data
May 6	EUR	Spanish Unemployment Change
May 6	EUR	Italian Services PMI
May 6	EUR	French Final Services PMI
May 6	EUR	German Final Services PMI
May 6	EUR	Final Services PMI
May 6	EUR	Sentix Investor Confidence
May 6	EUR	PPI m/m
May 7	EUR	German Factory Orders m/m
May 7	EUR	German Trade Balance
May 7	EUR	French Prelim Private Payrolls q/q
May 7	EUR	French Trade Balance
May 7	GBP	Construction PMI
May 7	EUR	Retail Sales m/m
May 8	EUR	German Industrial Production m/m
May 8	EUR	Italian Retail Sales m/m

Date	Curr.	Data
May 8	USD	Final Wholesale Inventories m/m
May 8	USD	Crude Oil Inventories
May 9	USD	Unemployment Claims
May 9	USD	Natural Gas Storage
May 10	GBP	GDP m/m
May 10	GBP	Prelim GDP q/q
May 10	GBP	Construction Output m/m
May 10	GBP	Goods Trade Balance
May 10	GBP	Index of Services 3m/3m
May 10	GBP	Industrial Production m/m
May 10	GBP	Manufacturing Production m/m
May 10	GBP	Prelim Business Investment q/q
May 10	EUR	Italian Industrial Production m/m
May 10	USD	Prelim UoM Consumer Sentiment
May 10	USD	Prelim UoM Inflation Expectations

## News

The case for a European Central Bank interest rate cut in June is getting stronger as services inflation is finally starting to ease, ECB Chief Economist Philip Lane told Spanish newspaper El Confidencial. The ECB has all but promised a rate cut on June 6, provided incoming data strengthen policymakers' belief that inflation will head back to its 2% target by the middle of next year. "Both the April flash estimate for euro area inflation and the first quarter GDP number that came out improve my confidence that inflation should return to target in a timely manner," Lane told. "So, as of today, my personal confidence level has improved compared with our April meeting," Lane said, adding that more crucial data is still to be published in the weeks ahead. Investors also seem to think that a cut in June is all but a done deal, but doubts about subsequent moves have increased in recent weeks after the U.S. Federal Reserve signalled that its own policy easing could be delayed. Lane said that April inflation data finally showed progress on services prices but the bank would continue to focus on services to make sure it did not derail disinflation later on.

The Caixin China General Services PMI was down to 52.5 in April 2024 from 52.7, matching forecasts of 52.5. It was the 16th straight month of growth in services activity, with new business growing the most in nearly a year, supported by the latest rise in activity and an improvement in confidence. New order growth accelerated to the fastest since May 2023 amid improved demand conditions and a broadening of customer bases, with foreign sales rising the most in 10 months. Employment fell for the 3rd straight month due to resignations and redundancies, while backlogs of work remained unchanged. On the cost side, input cost inflation accelerated due to higher raw materials, labor, and energy costs despite being below the series average. Meanwhile, output price inflation accelerated above the series average as firms sought to share rising cost burdens with clients. Finally, business remained optimistic, although below its historical average, amid hopes of improvement in market prospects. The Caixin China General Composite PMI was at 52.8 in April 2024, up slightly from 52.7 in the prior two months. It was the highest reading since May 2023, pointing to the sixth straight month of growth in private sector activity

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