

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

09 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	83.3050	83.3300	83.2525	83.2825	-0.07
USDINR	28-Nov-23	83.4525	83.4525	83.3800	83.4050	-0.07
EURINR	27-Oct-23	87.8850	88.0600	87.8300	87.9800	0.28
EURINR	28-Nov-23	88.1075	88.2725	88.0450	88.1925	0.27
GBPINR	27-Oct-23	101.4875	101.7900	101.3950	101.6900	0.50
GBPINR	28-Nov-23	101.6050	101.9350	101.5475	101.8500	0.49
JPYINR	27-Oct-23	56.2600	56.3025	56.0825	56.1000	-0.22
JPYINR	28-Nov-23	56.5800	56.6450	56.4400	56.4575	-0.19

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	27-Oct-23	-0.07	4.15	Fresh Selling
USDINR	28-Nov-23	-0.07	-0.97	Long Liquidation
EURINR	27-Oct-23	0.28	-10.64	Short Covering
EURINR	28-Nov-23	0.27	-2.27	Short Covering
GBPINR	27-Oct-23	0.50	-5.76	Short Covering
GBPINR	28-Nov-23	0.49	-0.02	Short Covering
JPYINR	27-Oct-23	-0.22	0.99	Fresh Selling
JPYINR	28-Nov-23	-0.19	10.82	Fresh Selling

Global Indices

Index	Last	%Chg
Nifty	19653.50	0.55
Dow Jones	33407.58	0.87
NASDAQ	13431.34	1.60
CAC	7060.15	0.88
FTSE 100	7494.58	0.58
Nikkei	30994.67	-0.26

International Currencies

Currency	Last	% Change
EURUSD	1.0564	-0.05
GBPUSD	1.2217	-0.02
USDJPY	149.1	-0.05
USDCAD	1.3643	-0.15
USDAUD	1.5695	-0.03
USDCHF	90.9	0.00

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Technical Snapshot



SELL USDINR OCT @ 83.4 SL 83.55 TGT 83.25-83.12.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	83.2825	83.37	83.33	83.29	83.25	83.21
28-Nov-23	83.4050	83.48	83.44	83.41	83.37	83.34

Observations

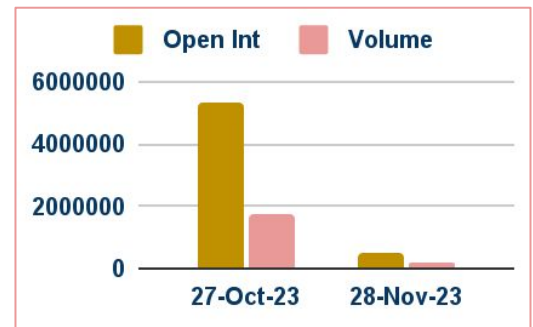
USDINR trading range for the day is 83.21-83.37.

Rupee traded in a narrow range after RBI kept its benchmark policy repo at 6.5 percent for the fourth consecutive meeting

US nonfarm payrolls increased by 336K in September, the most in 8 months, compared to an upwardly revised 227K in August

The S&P Global India Services PMI increased to 61.0 in September 2023 from 60.1 in August, beating market forecasts of 59.5

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.1225

Technical Snapshot



BUY EURINR OCT @ 87.7 SL 87.5 TGT 87.95-88.1.

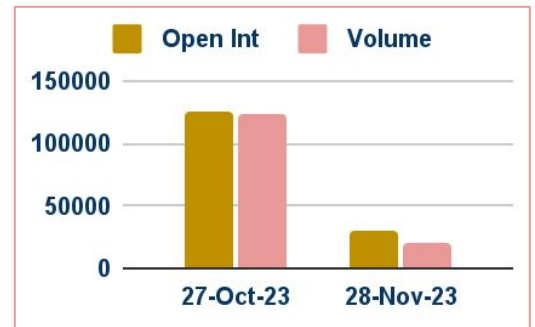
Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	87.9800	88.19	88.09	87.96	87.86	87.73
28-Nov-23	88.1925	88.40	88.30	88.17	88.07	87.94

Observations

EURINR trading range for the day is 87.73-88.19.
 Euro edged up as investors digested remarks from several ECB officials and a set of US labor market data.
 Euro zone economy likely contracted in Q3 amid waning demand
 HSBC lifts 2023 euro zone growth forecast to 0.5% on economic resilience

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.1225

Technical Snapshot



BUY GBPINR OCT @ 101.3 SL 101.05 TGT 101.6-101.8.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	101.6900	102.03	101.87	101.63	101.47	101.23
28-Nov-23	101.8500	102.16	102.01	101.78	101.63	101.40

Observations

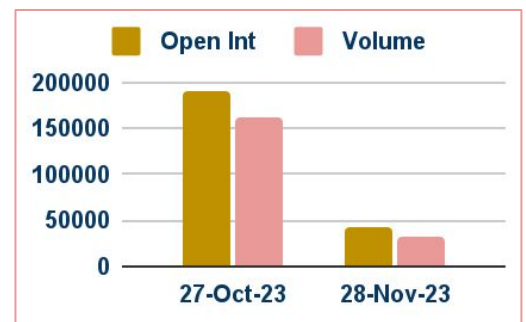
GBPINR trading range for the day is 101.23-102.03.

GBP ticked higher as traders continue to digest the possibility that BOE might be done with its most extensive rate-hiking cycle

The Halifax House Price Index dropped by 4.7% yoy in September 2023

Traders are now placing a 73% chance of no change in rates at the Bank of England's next policy meeting on November 2

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.1225

Technical Snapshot



BUY JPYINR OCT @ 55.7 SL 55.5 TGT 55.95-56.15.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	56.1000	56.38	56.24	56.16	56.02	55.94
28-Nov-23	56.4575	56.71	56.58	56.51	56.38	56.31

Observations

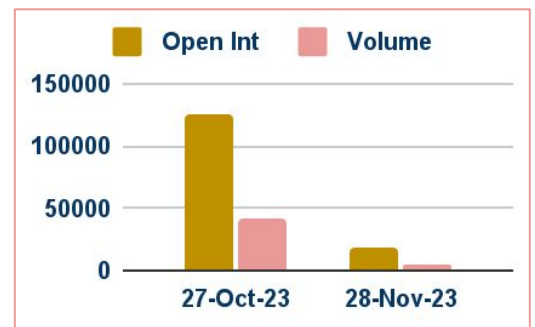
JPYINR trading range for the day is 55.94-56.38.

JPY dropped despite weaker-than-expected US jobs data which lowered the odds that Fed would raise interest rates

Reserve assets in Japan fell to \$1.237 trillion in September 2023 from \$1.251 trillion in August

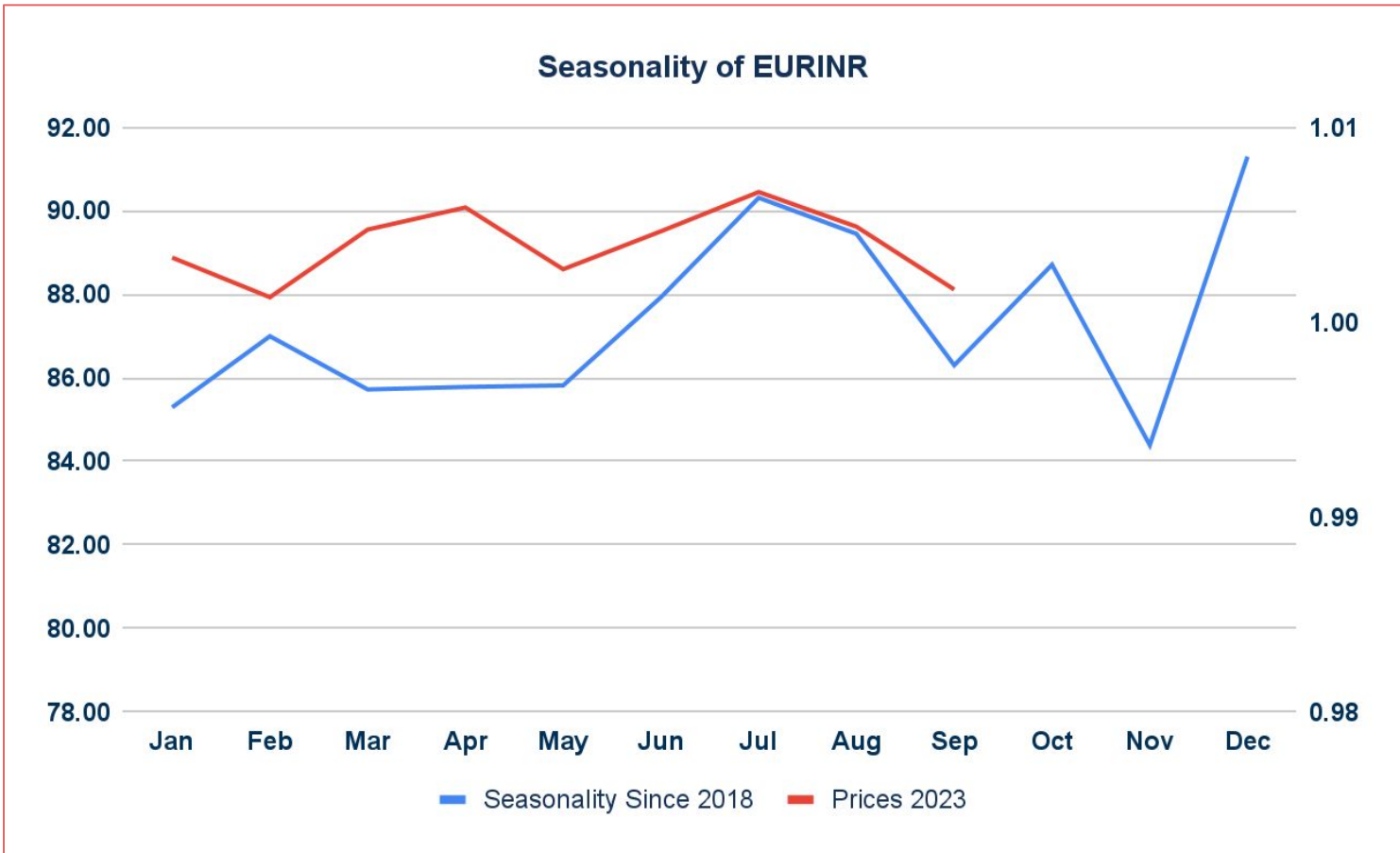
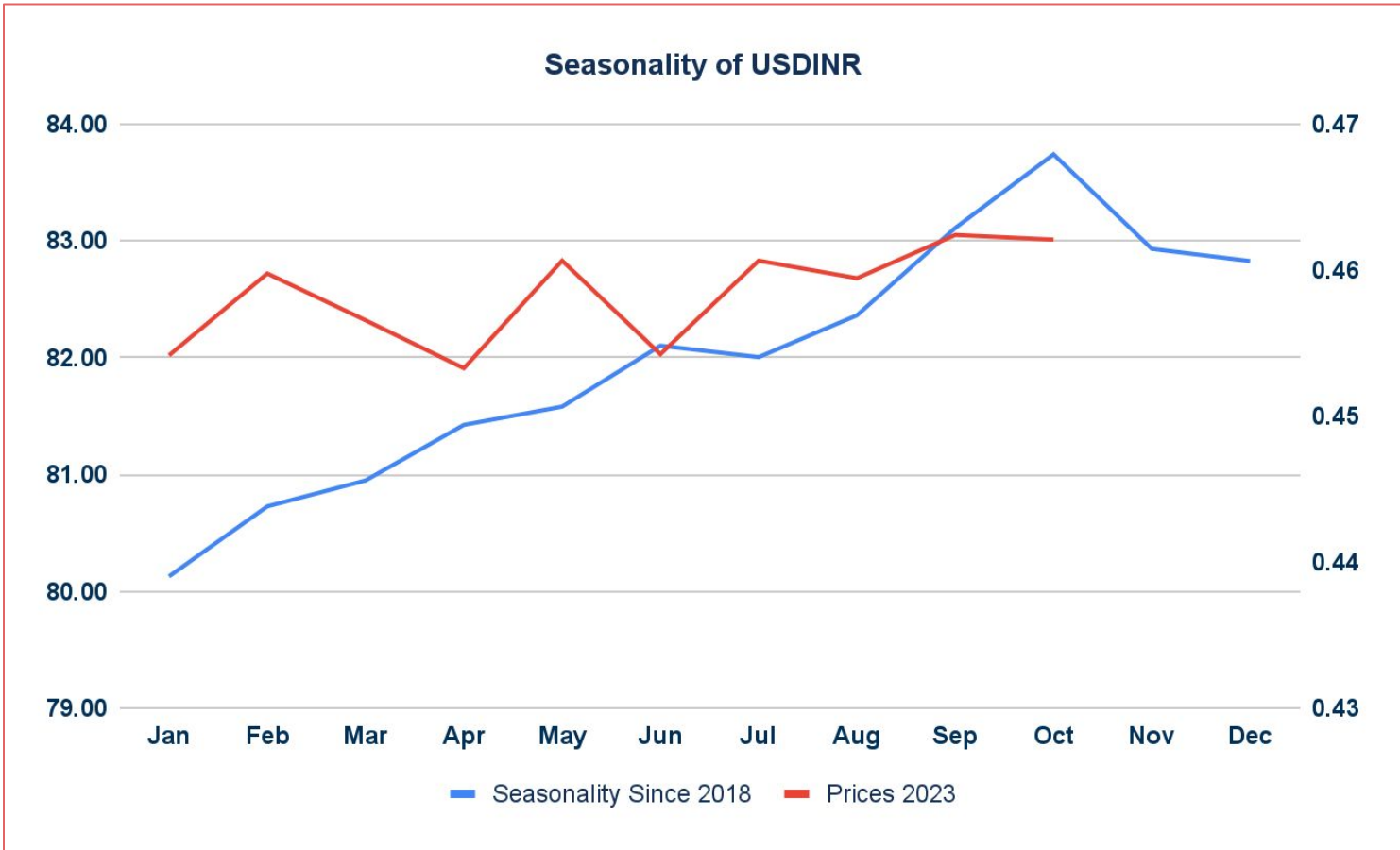
Household spending in Japan declined in real terms by 2.5% yoy in August 2023

OI & Volume

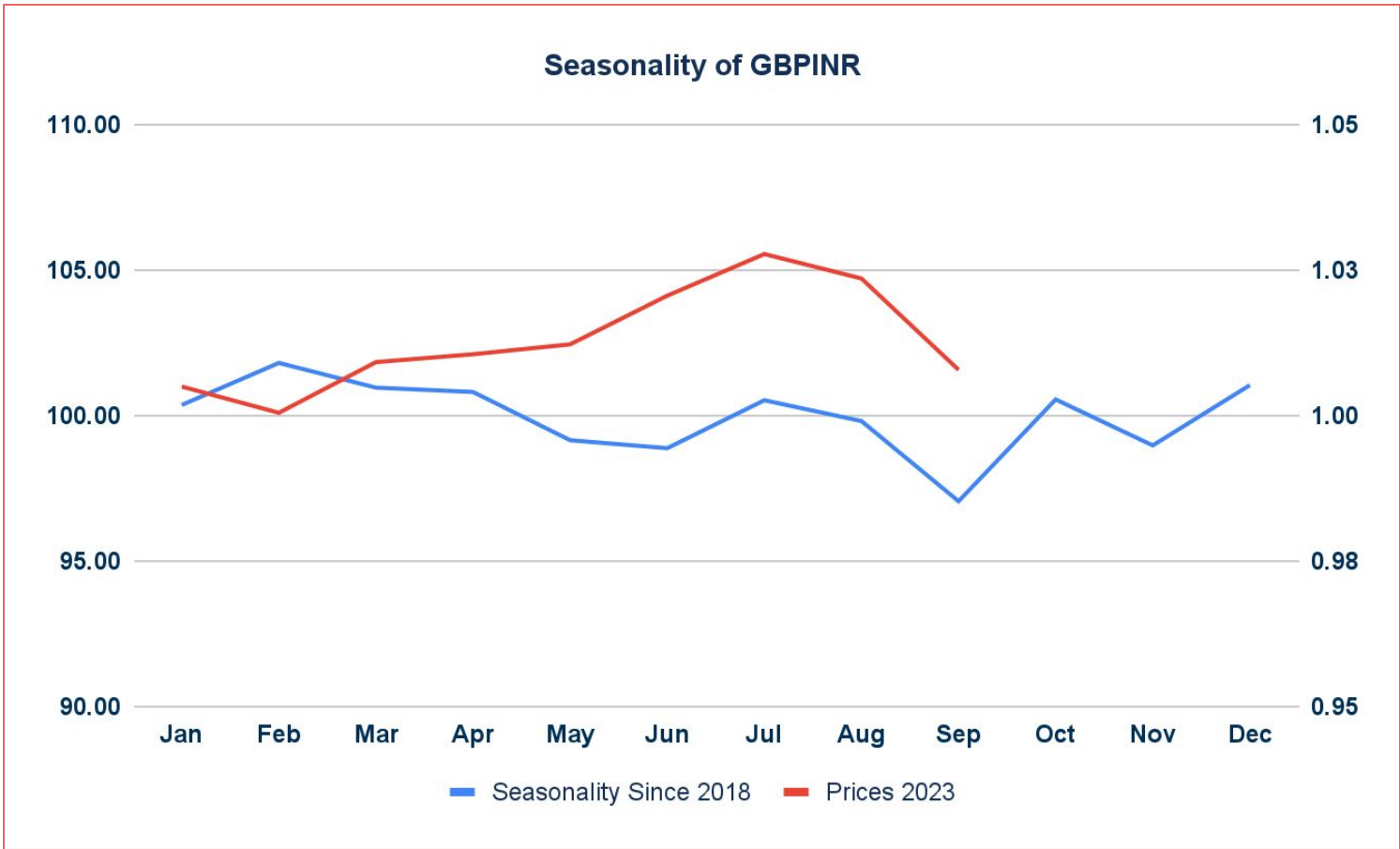


Spread

Currency	Spread
USDINR NOV-OCT	0.1225



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Economic Data

Date	Curr.	Data	Date	Curr.	Data
Oct 9	EUR	German Industrial Production m/m	Oct 12	EUR	ECB Monetary Policy Meeting
Oct 9	EUR	Sentix Investor Confidence	Oct 12	USD	Core CPI m/m
Oct 9	USD	FOMC Member Barr Speaks	Oct 12	USD	CPI m/m
Oct 9	USD	FOMC Member Logan Speaks	Oct 12	USD	CPI y/y
Oct 9	USD	FOMC Member Jefferson Speaks	Oct 12	USD	Unemployment Claims
Oct 10	EUR	Italian Industrial Production m/m	Oct 12	USD	Natural Gas Storage
Oct 10	USD	NFIB Small Business Index	Oct 12	USD	Crude Oil Inventories
Oct 10	USD	Final Wholesale Inventories m/m	Oct 12	USD	Federal Budget Balance
Oct 10	USD	FOMC Member Waller Speaks	Oct 13	EUR	French Final CPI m/m
Oct 11	USD	FOMC Member Kashkari Speaks	Oct 13	EUR	Industrial Production m/m
Oct 11	EUR	German Final CPI m/m	Oct 13	USD	Import Prices m/m
Oct 11	USD	FOMC Member Bowman Speaks	Oct 13	EUR	ECB President Lagarde Speaks
Oct 11	USD	Core PPI m/m	Oct 13	USD	FOMC Member Harker Speaks
Oct 11	USD	PPI m/m	Oct 13	USD	Prelim UoM Consumer Sentiment
Oct 11	USD	FOMC Meeting Minutes	Oct 13	USD	Prelim UoM Inflation Expectations

News

U.S. Federal Reserve officials say that monetary policy will need to stay restrictive for "some time" to bring inflation back down to the Fed's 2% target, but their unity around that phrase masks an ongoing debate over another possible rate hike this year. "I remain willing to support raising the federal funds rate at a future meeting if the incoming data indicates that progress on inflation has stalled or is too slow to bring inflation to 2% in a timely way," Fed Governor Michelle Bowman said in prepared remarks to a banking conference. Despite considerable progress, she said, "inflation continues to be too high, and I expect it will likely be appropriate for the (Fed) to raise rates further and hold them at a restrictive level for some time." Inflation, as measured by the consumer price index, is down from around 9% last year to around 3.7% at last read, slowed at least in part by the Fed's 5.25 percentage points of interest-rate increases over the last 18 months. The Fed targets 2% inflation. Given that progress, U.S. central bankers last month opted to keep the policy rate in its current 5.25%-5.50% range even as most signaled another rate hike would likely be needed before year's end.

The HCOB Eurozone Construction PMI edged slightly higher to 43.6 in September of 2023 from 43.4 in August, but continued to point to a sharp contraction in the construction sector. Demand conditions remained weak, with new business declining at the quickest pace since May 2020, leading to further marked falls in activity and input buying. Activity continued to contract across all categories, with house building leading the decline. Also, the sharp drop in overall construction activity was once again seen in Germany. The HCOB Germany Construction PMI fell sharply to 39.3 in September 2023 from 41.5 in August, marking the sharpest contraction since April 2020. The downturn was driven mainly by a sustained broad decline in the housing sector. Additionally, commercial building projects dropped markedly and to the greatest extent since September 2022, while civil engineering works returned to contraction after a brief uptick in August. Moreover, inflows of new work dropped to their fourth-fastest rate on record, reflecting the challenging demand conditions faced by constructors amid higher borrowing rates and uncertainty among customers.

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