

# KEDIA ADVISORY



## DAILY CURRENCY OUTLOOK

- USDINR
- EURINR
- GBPINR
- JPYINR



Kedia Stocks & Commodities Research Pvt. Ltd.

Research Advisory | White Labelling | Digital Marketing





# DAILY CURRENCY UPDATE

21 Aug 2024

KEDIA ADVISORY

## Domestic Currencies

| Currency | Expiry    | Open     | High     | Low      | Close    | % Change |
|----------|-----------|----------|----------|----------|----------|----------|
| USDINR   | 28-Aug-24 | 83.8800  | 83.8950  | 83.7800  | 83.7925  | -0.12    |
| USDINR   | 26-Sep-24 | 83.9500  | 83.9550  | 83.8475  | 83.9000  | -0.10    |
| EURINR   | 28-Aug-24 | 92.8100  | 92.9900  | 92.7300  | 92.7975  | 0.12     |
| EURINR   | 26-Sep-24 | 92.8150  | 92.9000  | 92.7350  | 92.8525  | 0.24     |
| GBPINR   | 28-Aug-24 | 108.7650 | 108.8900 | 108.6100 | 108.8600 | 0.26     |
| GBPINR   | 26-Sep-24 | 108.7000 | 108.9000 | 108.7000 | 108.8975 | 0.31     |
| JPYINR   | 28-Aug-24 | 57.2400  | 57.2400  | 56.9000  | 57.0725  | -0.37    |
| JPYINR   | 26-Sep-24 | 57.6600  | 57.7700  | 56.7000  | 57.5200  | -0.24    |

## Open Interest Snapshot

| Currency | Expiry    | % Change | % Oi Change | Oi Status        |
|----------|-----------|----------|-------------|------------------|
| USDINR   | 28-Aug-24 | -0.12    | -20.50      | Long Liquidation |
| USDINR   | 26-Sep-24 | -0.10    | 0.99        | Fresh Selling    |
| EURINR   | 28-Aug-24 | 0.12     | -1.89       | Short Covering   |
| EURINR   | 26-Sep-24 | 0.24     | 11.84       | Fresh Buying     |
| GBPINR   | 28-Aug-24 | 0.26     | 30.51       | Fresh Buying     |
| GBPINR   | 26-Sep-24 | 0.31     | 33.55       | Fresh Buying     |
| JPYINR   | 28-Aug-24 | -0.37    | 0.32        | Fresh Selling    |
| JPYINR   | 26-Sep-24 | -0.24    | 2.99        | Fresh Selling    |

## Global Indices

| Index     | Last     | %Chg  |
|-----------|----------|-------|
| Nifty     | 24698.85 | 0.51  |
| Dow Jones | 40834.97 | -0.15 |
| NASDAQ    | 17816.94 | -0.33 |
| CAC       | 7485.73  | -0.22 |
| FTSE 100  | 8273.32  | -1.00 |
| Nikkei    | 37740.98 | -0.85 |

## International Currencies

| Currency | Last   | % Change |
|----------|--------|----------|
| EURUSD   | 1.1122 | -0.05    |
| GBPUSD   | 1.3027 | -0.05    |
| USDJPY   | 145.36 | 0.01     |
| USDCAD   | 1.3617 | -0.01    |
| USDAUD   | 1.4826 | 0.02     |
| USDCHF   | 85.36  | -0.01    |

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## Technical Snapshot



**BUY USDINR AUG @ 83.75 SL 83.65 TGT 83.85-83.95.**

### Trading Levels

| Expiry    | Close   | R2    | R1    | PP    | S1    | S2    |
|-----------|---------|-------|-------|-------|-------|-------|
| 28-Aug-24 | 83.7925 | 83.93 | 83.86 | 83.82 | 83.75 | 83.71 |
| 26-Sep-24 | 83.9000 | 84.00 | 83.95 | 83.90 | 83.85 | 83.80 |

### Observations

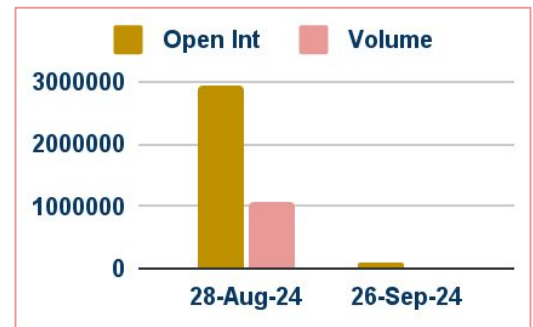
USDINR trading range for the day is 83.71-83.93.

Rupee ended stronger lifted by likely inflows and a slump in the dollar index that helped Asian currencies across the board.

The Reserve Bank of India's foreign exchange reserves declined by \$4.8 billion to \$670.12 billion

India's trade deficit widened to \$23.50 billion on an annual basis in July from \$19 billion in the same month last year

### OI & Volume



### Spread

| Currency       | Spread |
|----------------|--------|
| USDINR SEP-AUG | 0.1075 |

Technical Snapshot



**BUY EURINR AUG @ 92.7 SL 92.5 TGT 92.9-93.1.**

Trading Levels

| Expiry    | Close   | R2    | R1    | PP    | S1    | S2    |
|-----------|---------|-------|-------|-------|-------|-------|
| 28-Aug-24 | 92.7975 | 93.10 | 92.95 | 92.84 | 92.69 | 92.58 |
| 26-Sep-24 | 92.8525 | 93.00 | 92.93 | 92.83 | 92.76 | 92.66 |

Observations

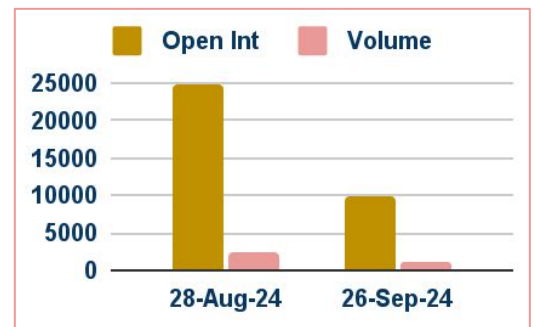
EURINR trading range for the day is 92.58-93.1.

Euro gains amid growing expectations that the economy will not stagnate

German producer prices fall the least in 13 months

The European Central Bank may need to cut interest rates again in September given persistent economic weakness.

OI & Volume



Spread

| Currency       | Spread |
|----------------|--------|
| EURINR SEP-AUG | 0.0550 |



## Technical Snapshot



**BUY GBPINR AUG @ 108.8 SL 108.5 TGT 109.1-109.4.**

### Trading Levels

| Expiry    | Close    | R2     | R1     | PP     | S1     | S2     |
|-----------|----------|--------|--------|--------|--------|--------|
| 28-Aug-24 | 108.8600 | 109.07 | 108.97 | 108.79 | 108.69 | 108.51 |
| 26-Sep-24 | 108.8975 | 109.03 | 108.96 | 108.83 | 108.76 | 108.63 |

### Observations

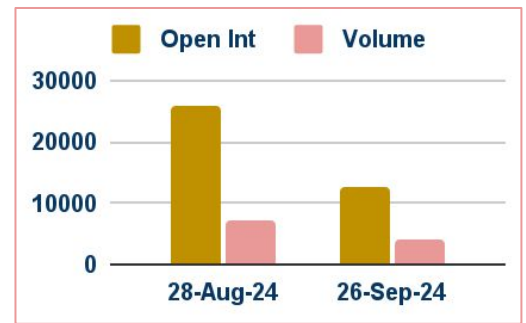
GBPINR trading range for the day is 108.51-109.07.

GBP strengthened as signs of economic resilience and moderate inflation led traders to anticipate fewer rate cuts from BOE.

Traders expect 44 basis points of rate cuts from the BoE this year, with a 39% chance of a 25-bps cut in September.

The British economy expanded 0.9% year-on-year in Q2 2024, the biggest annual growth rate since Q3

### OI & Volume



### Spread

| Currency       | Spread |
|----------------|--------|
| GBPINR SEP-AUG | 0.0375 |

Technical Snapshot



**BUY JPYINR AUG @ 57 SL 56.8 TGT 57.25-57.45.**

Trading Levels

| Expiry    | Close   | R2    | R1    | PP    | S1    | S2    |
|-----------|---------|-------|-------|-------|-------|-------|
| 28-Aug-24 | 57.0725 | 57.41 | 57.24 | 57.07 | 56.90 | 56.73 |
| 26-Sep-24 | 57.5200 | 58.40 | 57.96 | 57.33 | 56.89 | 56.26 |

Observations

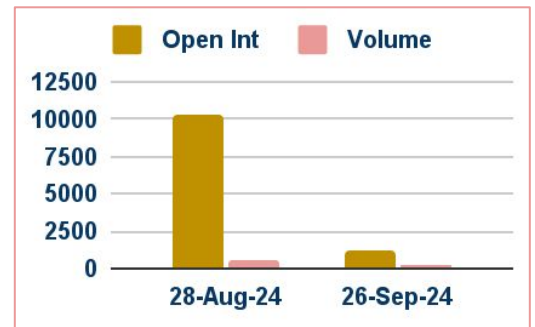
JPYINR trading range for the day is 56.73-57.41.

JPY steadied underpinned by firm expectations that the Federal Reserve will start cutting interest rates soon.

data showed that machinery orders, rose 2.1% month-on-month in June, exceeding forecasts for a 1.1% rise.

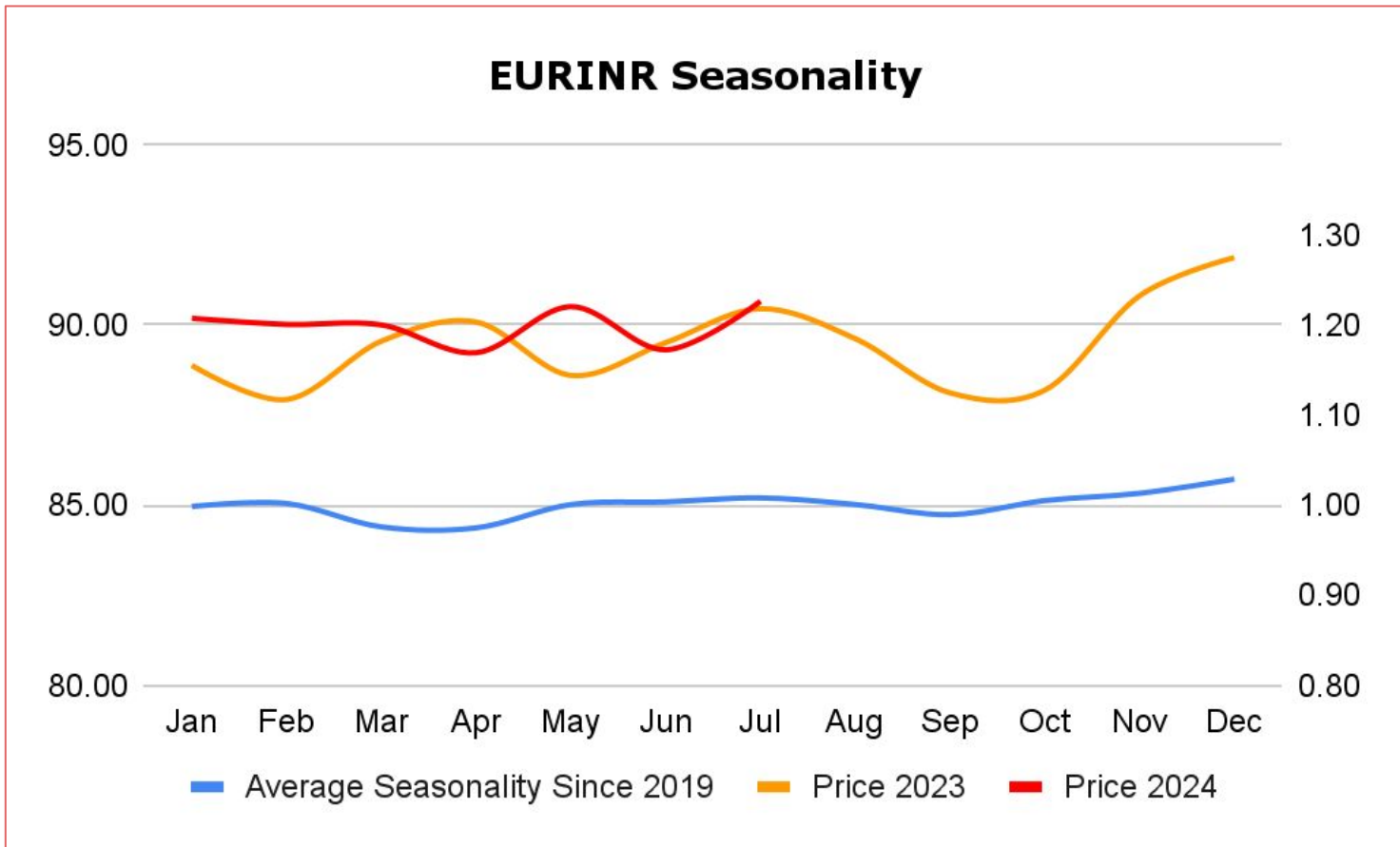
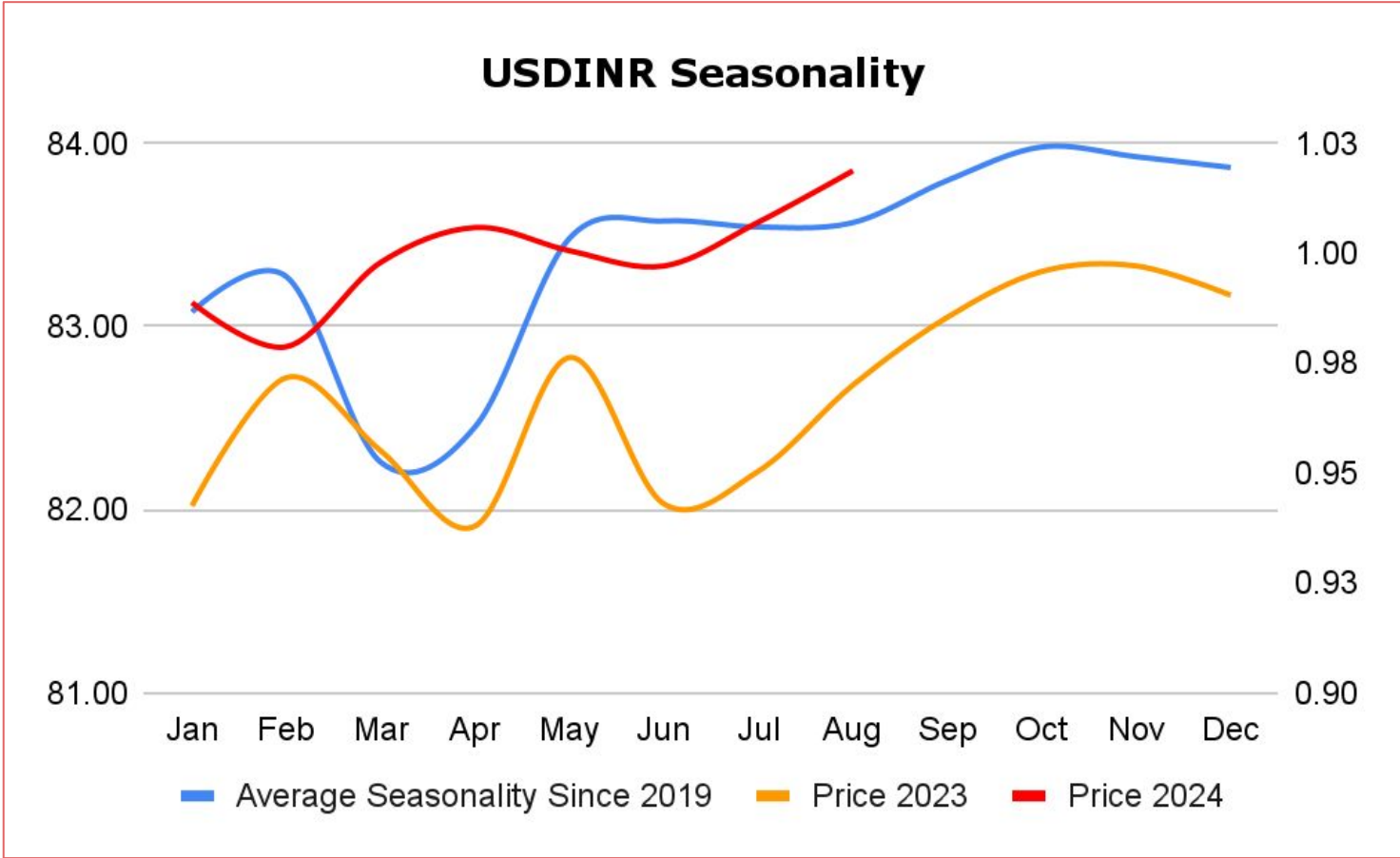
Markets now look ahead to domestic inflation figures later this week to gain clarity on the Bank of Japan's monetary policy path.

OI & Volume



Spread

| Currency       | Spread |
|----------------|--------|
| JPYINR SEP-AUG | 0.4475 |

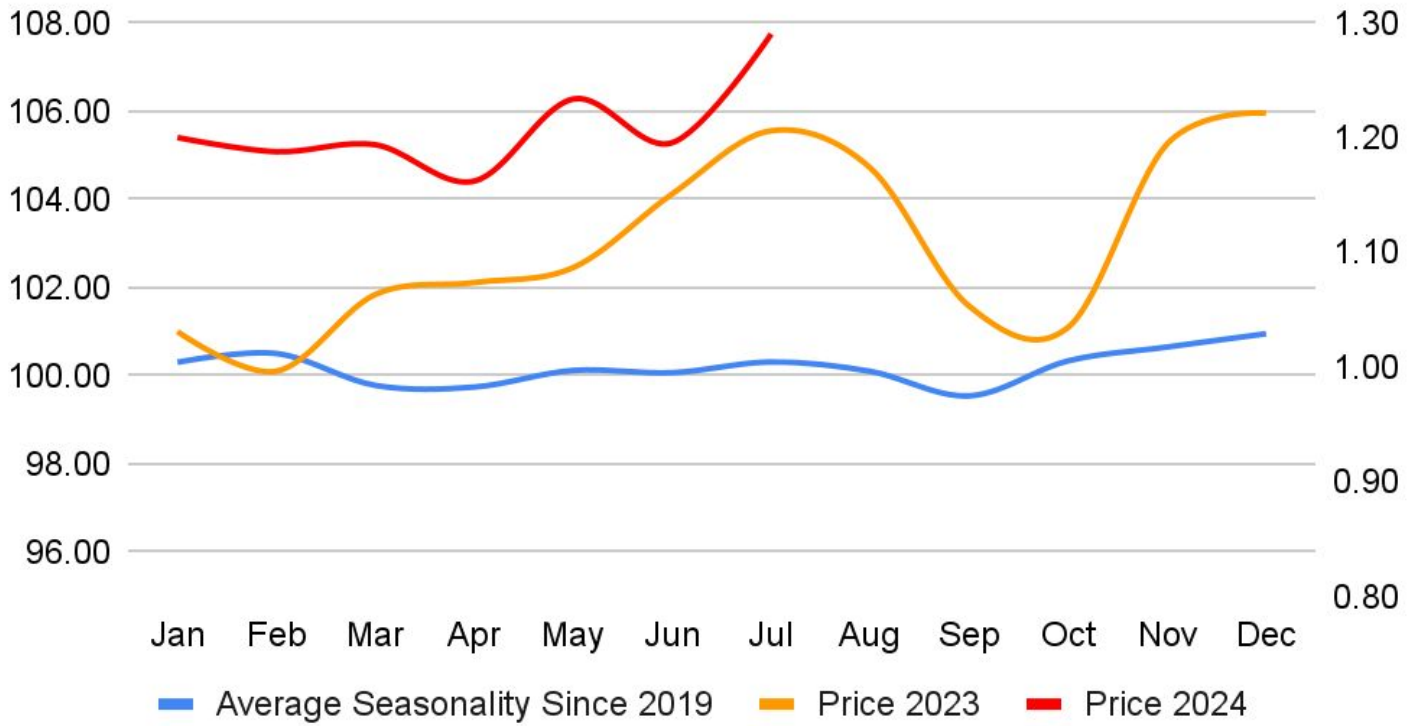


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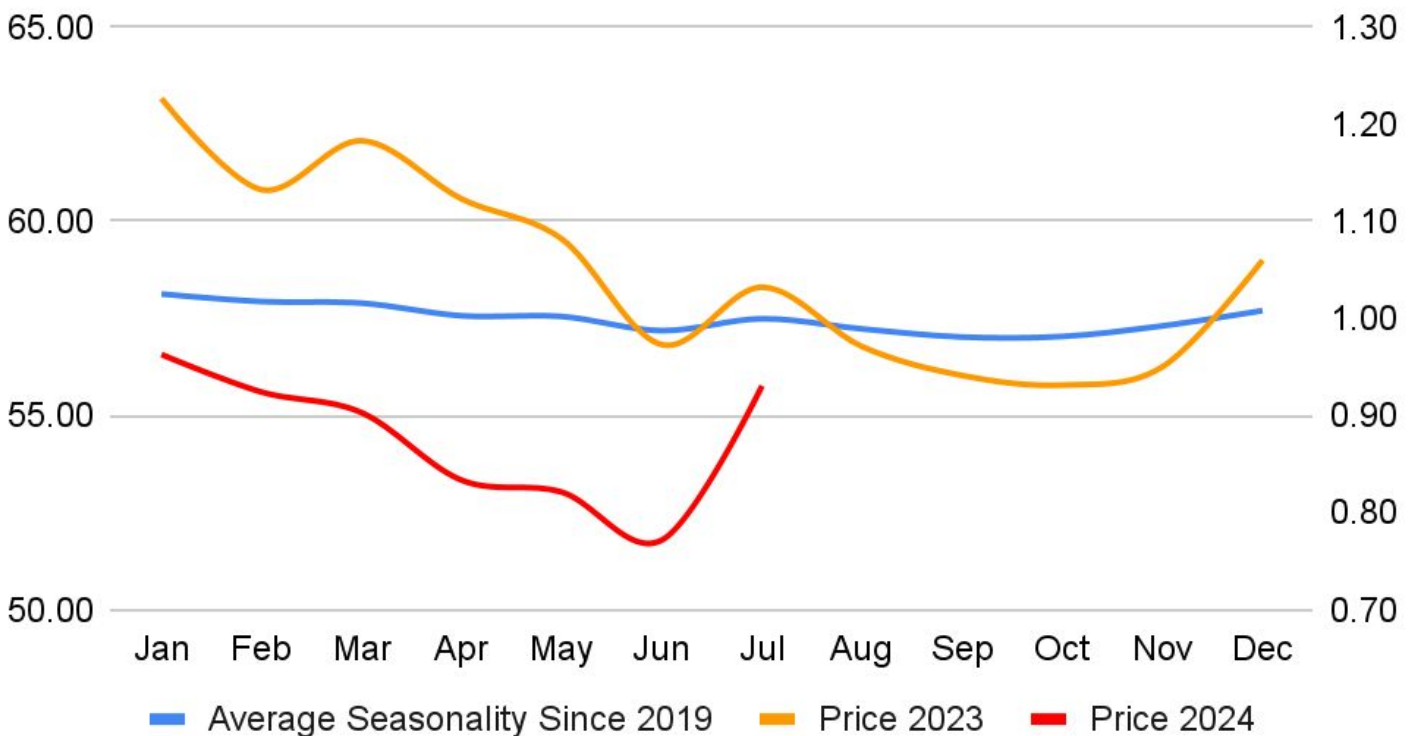




## GBPINR Seasonality



## JPYINR Seasonality



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## Economic Data

| Date   | Curr. | Data                           |
|--------|-------|--------------------------------|
| Aug 19 | GBP   | Rightmove HPI m/m              |
| Aug 19 | USD   | FOMC Member Waller Speaks      |
| Aug 19 | USD   | CB Leading Index m/m           |
| Aug 20 | CNY   | 1-y Loan Prime Rate            |
| Aug 20 | CNY   | 5-y Loan Prime Rate            |
| Aug 20 | EUR   | German PPI m/m                 |
| Aug 20 | EUR   | Current Account                |
| Aug 20 | EUR   | Final Core CPI y/y             |
| Aug 20 | EUR   | Final CPI y/y                  |
| Aug 21 | GBP   | Public Sector Net Borrowing    |
| Aug 21 | USD   | Crude Oil Inventories          |
| Aug 21 | USD   | FOMC Meeting Minutes           |
| Aug 22 | EUR   | French Flash Manufacturing PMI |
| Aug 22 | EUR   | French Flash Services PMI      |
| Aug 22 | EUR   | German Flash Manufacturing PMI |

| Date   | Curr. | Data                              |
|--------|-------|-----------------------------------|
| Aug 22 | EUR   | German Flash Services PMI         |
| Aug 22 | EUR   | Flash Manufacturing PMI           |
| Aug 22 | EUR   | Flash Services PMI                |
| Aug 22 | GBP   | Flash Manufacturing PMI           |
| Aug 22 | GBP   | Flash Services PMI                |
| Aug 22 | GBP   | CBI Industrial Order Expectations |
| Aug 22 | USD   | Unemployment Claims               |
| Aug 22 | USD   | Flash Manufacturing PMI           |
| Aug 22 | USD   | Flash Services PMI                |
| Aug 22 | EUR   | Consumer Confidence               |
| Aug 22 | USD   | Existing Home Sales               |
| Aug 22 | USD   | Natural Gas Storage               |
| Aug 23 | GBP   | GfK Consumer Confidence           |
| Aug 23 | JPY   | National Core CPI y/y             |
| Aug 23 | USD   | New Home Sales                    |

## News

The European Central Bank may need to cut interest rates again in September given persistent economic weakness, Finnish central bank chief Olli Rehn said. The ECB was among the first major central banks in the world to cut interest rates in June, partially reversing a record string of hikes, but held rates steady in July and gave no firm signals about its upcoming Sept. 12 meeting. With more and more data coming in about prices and the health of the economy, Rehn has become one the first on the ECB's 26-member Governing Council to offer a view on the appropriate course ahead. "The recent increase in negative growth risks in the euro area has reinforced the case for a rate cut at the next ECB monetary policy meeting in September, provided that disinflation is indeed on track," Rehn said. Rehn argued that the long expected pick up in the euro zone's economy was not a given and policymakers should be prepared for different outcomes. Rehn was more sanguine about inflation but did warn that getting price growth back to the ECB's 2% target was not straightforward.

Manufacturing production in the UK climbed 1.1 month-over-month in June 2024, surpassing market estimates of 0.1% increase and compared to a downwardly revised 0.3% gain in the previous month. This marked the strongest expansion since February, with growth seen in 9 out of 13 subsectors. On a yearly basis, manufacturing activity fell 1.5% in June 2024 from a downwardly revised 0.4% increase in the previous month, albeit less severe than the forecasted 2.4% fall. The UK's trade deficit declined to £5.32 billion in June 2024 from an upwardly revised £5.77 billion in the prior month. It was the smallest trade gap since April, with imports rising 2.6% mom to £78.33 billion while exports grew by 3.5% to £73.01 billion. Goods purchases increased by 5.3%, primarily due to a £1.1 billion gain in machinery and transport equipment imports from the EU, namely mechanical machinery and aircraft from France, and other manufactures from Germany. Purchases of food, live animals, and miscellaneous manufactures also advanced. Imports from non-EU countries climbed by 3.0%. Meanwhile, goods exports climbed by 7.6% due to a £0.8 billion rise in machinery and transport equipment shipments to the EU, mainly aircraft and electrical machinery to Germany and mechanical machinery to France.

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