

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

23 Jan 2024

- 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-Jan-24	83.1625	83.1850	83.0750	83.0850	-0.09
USDINR	27-Feb-24	83.2400	83.2675	83.1625	83.1700	-0.09
EURINR	29-Jan-24	90.5475	90.6175	90.4050	90.4775	-0.14
EURINR	27-Feb-24	90.7450	90.7700	90.5600	90.6250	-0.14
GBPINR	29-Jan-24	105.5600	105.7175	105.2800	105.3750	-0.12
GBPINR	27-Feb-24	105.7550	105.8000	105.3800	105.4725	-0.11
JPYINR	29-Jan-24	56.2500	56.3050	56.0025	56.2400	-0.20
JPYINR	27-Feb-24	56.6175	56.6775	56.3875	56.6050	-0.17

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	29-Jan-24	-0.09	-0.97	Long Liquidation
USDINR	27-Feb-24	-0.09	3.97	Fresh Selling
EURINR	29-Jan-24	-0.14	-1.50	Long Liquidation
EURINR	27-Feb-24	-0.14	3.34	Fresh Selling
GBPINR	29-Jan-24	-0.12	-0.68	Long Liquidation
GBPINR	27-Feb-24	-0.11	4.66	Fresh Selling
JPYINR	29-Jan-24	-0.20	-2.71	Long Liquidation
JPYINR	27-Feb-24	-0.17	20.73	Fresh Selling

Global Indices

Index	Last	%Chg
Nifty	21571.80	0.51
Dow Jones	38001.81	0.36
NASDAQ	15360.29	0.32
CAC	7413.25	0.56
FTSE 100	7487.71	0.35
Nikkei	36823.75	0.76

International Currencies

Currency	Last	% Change
EURUSD	1.0889	0.11
GBPUSD	1.2724	0.14
USDJPY	148.24	0.06
USDCAD	1.3473	-0.05
USDAUD	1.5157	-0.39
USDCHF	86.76	-0.17

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Technical Snapshot



BUY USDINR JAN @ 83.05 SL 82.95 TGT 83.18-83.3.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	83.0850	83.23	83.17	83.12	83.06	83.01
27-Feb-24	83.1700	83.31	83.24	83.20	83.13	83.09

Observations

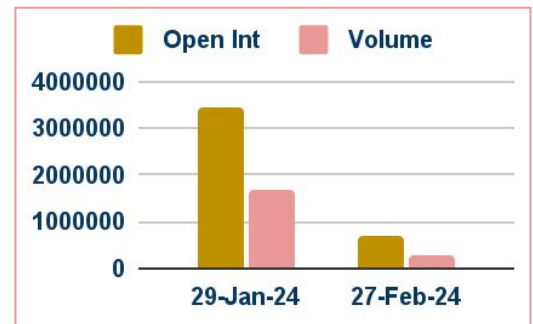
USDINR trading range for the day is 83.01-83.23.

Rupee closed stronger supported by dollar sales from foreign banks

India must sustain growth momentum, secure at least 7% growth in FY25 – RBI bulletin

A reassessment of rate cut expectations in us supported the dollar aided by strength in U.S. economic data.

OI & Volume



Spread

Currency	Spread
USDINR FEB-JAN	0.0850

Technical Snapshot



BUY EURINR JAN @ 90.4 SL 90.2 TGT 90.65-90.8.

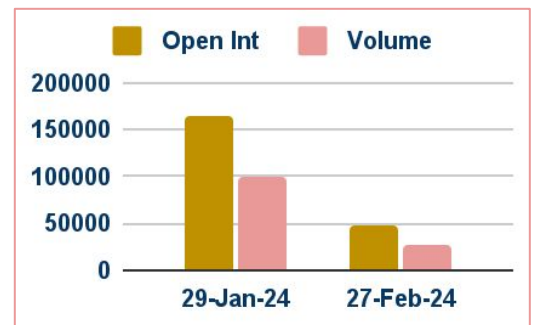
Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	90.4775	90.72	90.60	90.50	90.38	90.28
27-Feb-24	90.6250	90.86	90.74	90.65	90.53	90.44

Observations

EURINR trading range for the day is 90.28-90.72.
 Euro dropped amid dollar strength as investors reassess their interest rate cut bets.
 ECB President Lagarde indicated a probable interest rate cut in the summer, but emphasized that caution is required
 Producer prices in Germany fell 8.6% year-on-year in December 2023

OI & Volume



Spread

Currency	Spread
EURINR FEB-JAN	0.1475

Technical Snapshot



BUY GBPINR JAN @ 105.4 SL 105.1 TGT 105.7-105.9.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	105.3750	105.90	105.64	105.46	105.20	105.02
27-Feb-24	105.4725	105.97	105.72	105.55	105.30	105.13

Observations

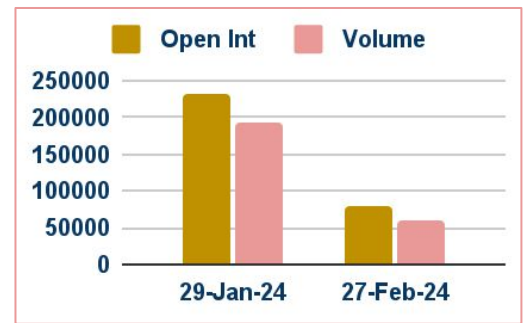
GBPINR trading range for the day is 105.02-105.9.

GBP drops as the UK Retail Sales contracted significantly in December.

The BoE may continue to reiterate the need for higher interest rates for longer.

There is a risk of the economy entering a recession in Q4

OI & Volume



Spread

Currency	Spread
GBPINR FEB-JAN	0.0975

Technical Snapshot



SELL JPYINR JAN @ 56.4 SL 56.6 TGT 56.2-56.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	56.2400	56.48	56.36	56.18	56.06	55.88
27-Feb-24	56.6050	56.85	56.73	56.56	56.44	56.27

Observations

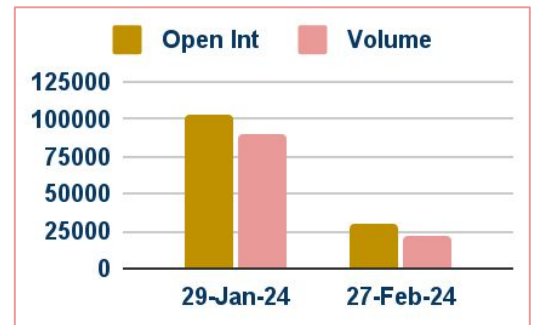
JPYINR trading range for the day is 55.88-56.48.

JPY remains under pressure following the release of domestic consumer inflation figures.

Japanese consumer inflation eases as expected and reaffirms bets for a BoJ status quo.

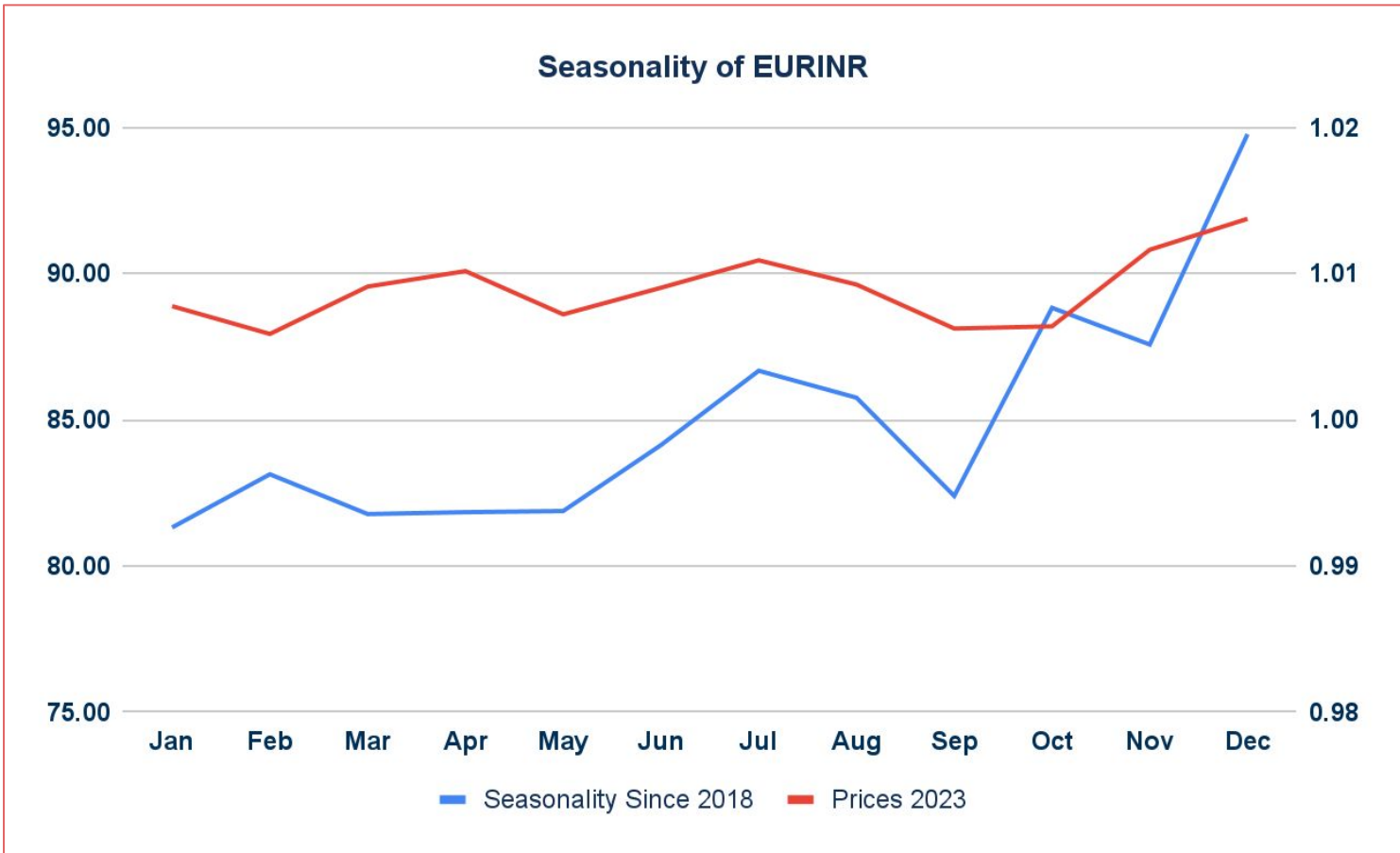
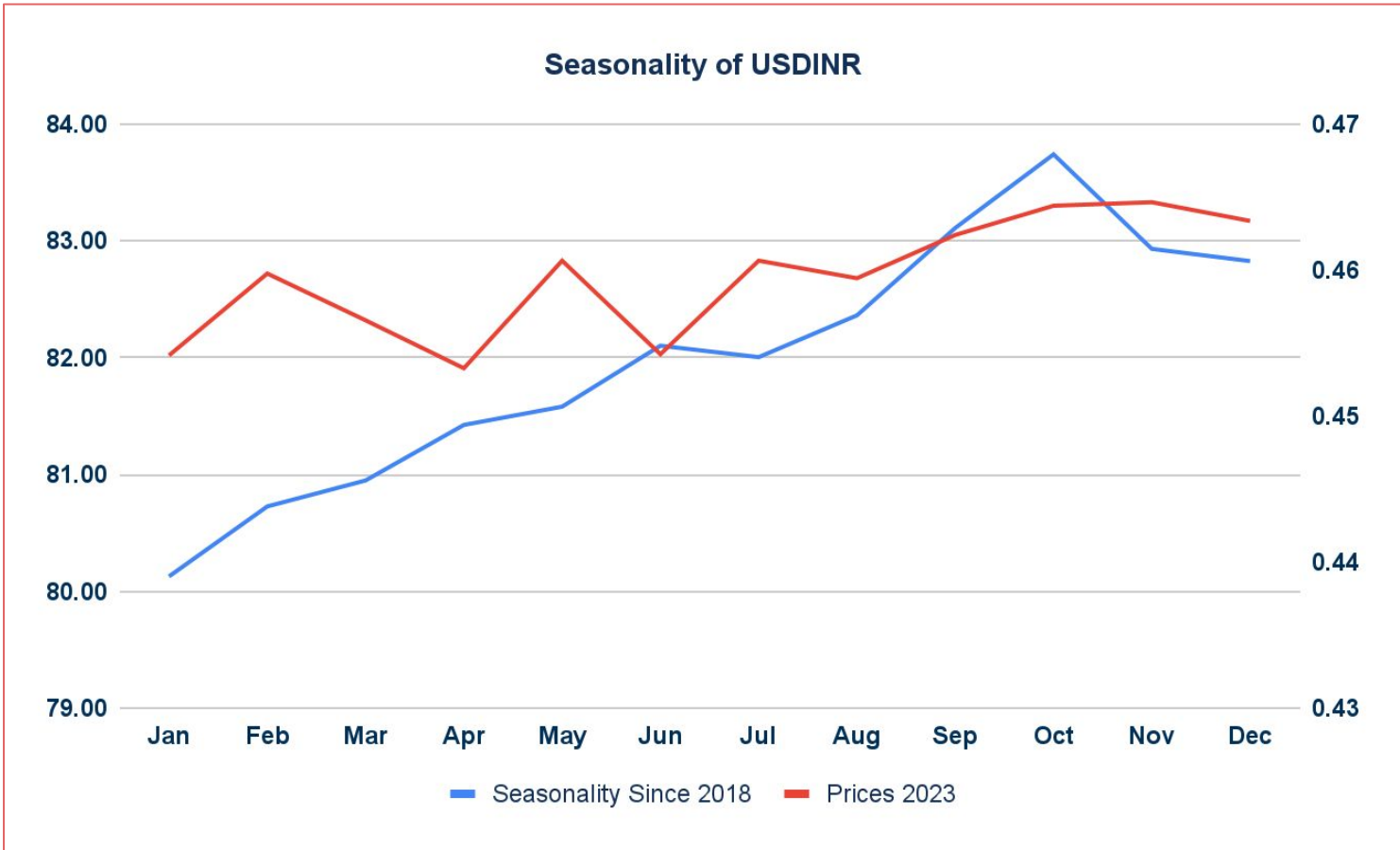
Reduced bets for a March Fed rate cut and rising US bond yields favour the USD bulls.

OI & Volume

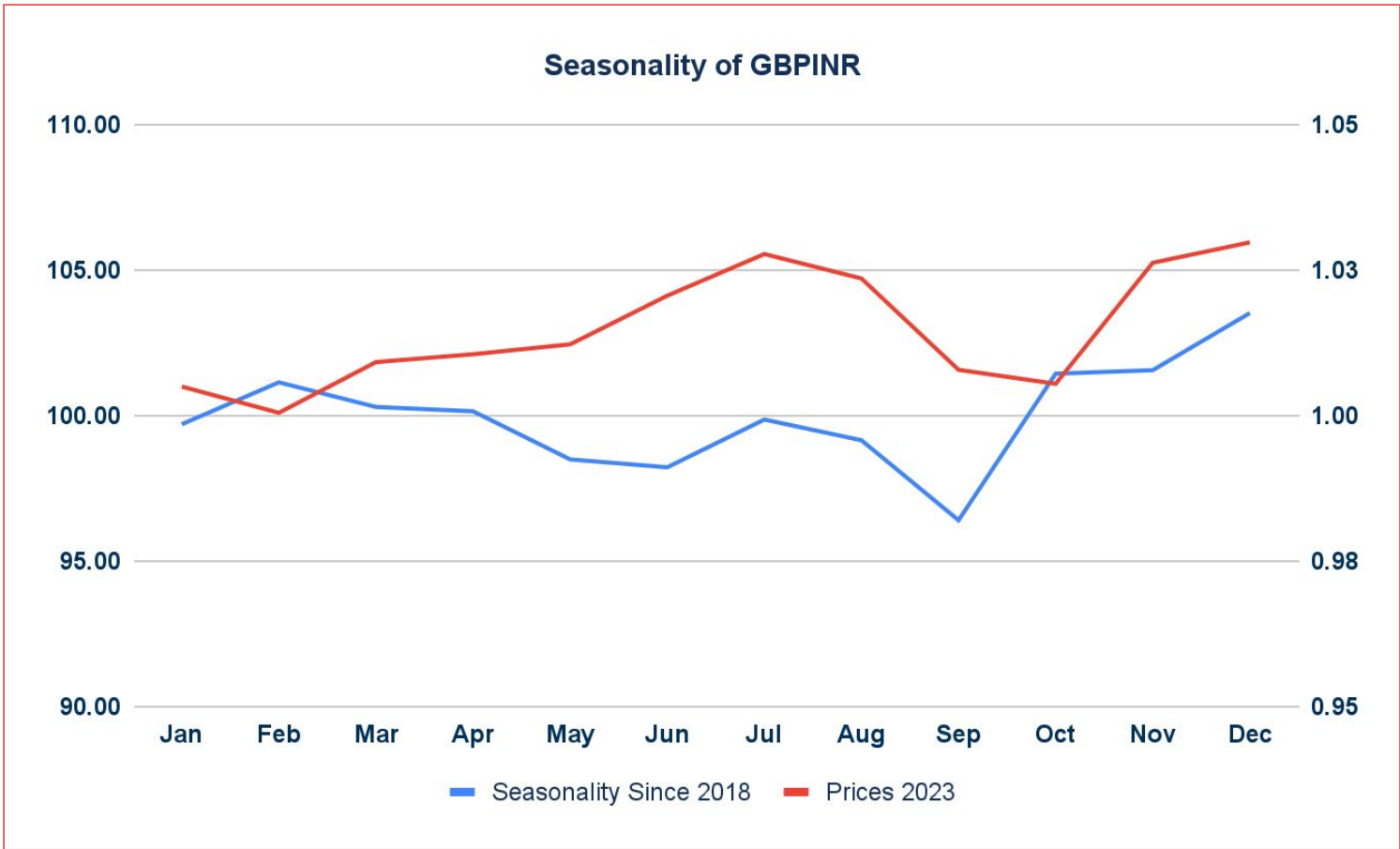


Spread

Currency	Spread
JPYINR FEB-JAN	0.3650



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Economic Data

Date	Curr.	Data
Jan 22	USD	CB Leading Index m/m
Jan 23	EUR	Consumer Confidence
Jan 23	USD	Richmond Manufacturing Index
Jan 24	EUR	French Flash Manufacturing PMI
Jan 24	EUR	French Flash Services PMI
Jan 24	EUR	German Flash Manufacturing PMI
Jan 24	EUR	German Flash Services PMI
Jan 24	EUR	Flash Manufacturing PMI
Jan 24	EUR	Flash Services PMI
Jan 24	USD	Flash Manufacturing PMI
Jan 24	USD	Flash Services PMI
Jan 24	USD	Crude Oil Inventories
Jan 25	EUR	German ifo Business Climate
Jan 25	EUR	Main Refinancing Rate
Jan 25	USD	Advance GDP q/q

Date	Curr.	Data
Jan 25	USD	Unemployment Claims
Jan 25	USD	Advance GDP Price Index q/q
Jan 25	USD	Core Durable Goods Orders m/m
Jan 25	USD	Durable Goods Orders m/m
Jan 25	USD	Goods Trade Balance
Jan 25	EUR	Belgian NBB Business Climate
Jan 25	USD	New Home Sales
Jan 25	USD	Natural Gas Storage
Jan 26	EUR	German GfK Consumer Climate
Jan 26	EUR	M3 Money Supply y/y
Jan 26	EUR	Private Loans y/y
Jan 26	USD	Core PCE Price Index m/m
Jan 26	USD	Personal Income m/m
Jan 26	USD	Personal Spending m/m
Jan 26	USD	Pending Home Sales m/m

News

Japan's core inflation stayed above the central bank's 2% target in December but slowed for a second straight month, data showed, reinforcing expectations it will be in no hurry to phase out its massive monetary stimulus. The data, which matched median market forecasts, highlights receding inflationary pressure from raw material imports, and heightens the chance the Bank of Japan will maintain ultra-low interest rates at next week's meeting. The core consumer price index (CPI), which excludes fresh food but includes energy costs, in December rose 2.3% from a year earlier, government data showed, marking the slowest pace of increase since June 2022. It followed a 2.5% rise in November. The "core " index that strips away both fresh food and energy prices, closely watched by the BOJ as a better gauge of the broader price trend, in December rose 3.7% from a year earlier after a 3.8% gain in November. Japan's core consumer inflation has exceeded the BOJ's 2% target since April last year as soaring raw material costs prodded many firms to pass on higher costs. After peaking at 4.2% in January, inflation has slowed due to easing cost-push pressures in line with the BOJ's forecasts.

The number of Americans filing new claims for unemployment benefits fell last week to the lowest level since late 2022, suggesting job growth likely remained solid in January. Initial claims for state unemployment benefits dropped 16,000 to a seasonally adjusted 187,000 for the week ended Jan. 13, the lowest level since September 2022, the Labor Department said. Claims data tend to be volatile at the turn of the year. The labor market is gradually easing, with employers generally reluctant to lay off workers following difficulties finding labor during and after the COVID-19 pandemic. The Fed's Beige Book report showed that "nearly all districts cited one or more signs of a cooling labor market," including larger applicant pools, lower turnover rates and abating wage pressures. But pockets of worker shortages remain, with the report also showing that "two districts continued to note a tight labor market, and several described hiring challenges for firms seeking specialty skills." The claims data covered the period during which the government surveyed employers for the nonfarm payrolls component of January's employment report. Claims fell between the December and January survey period. The economy added 216,000 jobs in December compared to 173,000 in November.

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