

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

04 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	83.2625	83.3275	83.2625	83.3025	0.18
USDINR	28-Nov-23	83.2850	83.4450	83.2850	83.4200	0.18
EURINR	27-Oct-23	87.5300	87.5375	87.2750	87.3625	-1.04
EURINR	28-Nov-23	88.0000	88.0000	87.4825	87.5825	-1.01
GBPINR	27-Oct-23	100.9000	100.9000	100.4775	100.5125	-1.46
GBPINR	28-Nov-23	101.0150	101.0150	100.6525	100.6900	-1.44
JPYINR	27-Oct-23	55.9775	55.9775	55.8300	55.8500	-0.40
JPYINR	28-Nov-23	56.3500	56.3500	56.1600	56.2025	-0.49

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	27-Oct-23	0.18	1.26	Fresh Buying
USDINR	28-Nov-23	0.18	4.35	Fresh Buying
EURINR	27-Oct-23	-1.04	13.50	Fresh Selling
EURINR	28-Nov-23	-1.01	18.11	Fresh Selling
GBPINR	27-Oct-23	-1.46	12.15	Fresh Selling
GBPINR	28-Nov-23	-1.44	10.21	Fresh Selling
JPYINR	27-Oct-23	-0.40	-0.07	Long Liquidation
JPYINR	28-Nov-23	-0.49	70.62	Fresh Selling

Global Indices

Index	Last	%Chg
Nifty	19528.75	-0.56
Dow Jones	33002.38	-1.29
NASDAQ	13059.47	-1.87
CAC	6997.05	-1.01
FTSE 100	7470.16	-0.54
Nikkei	30612.65	-2.00

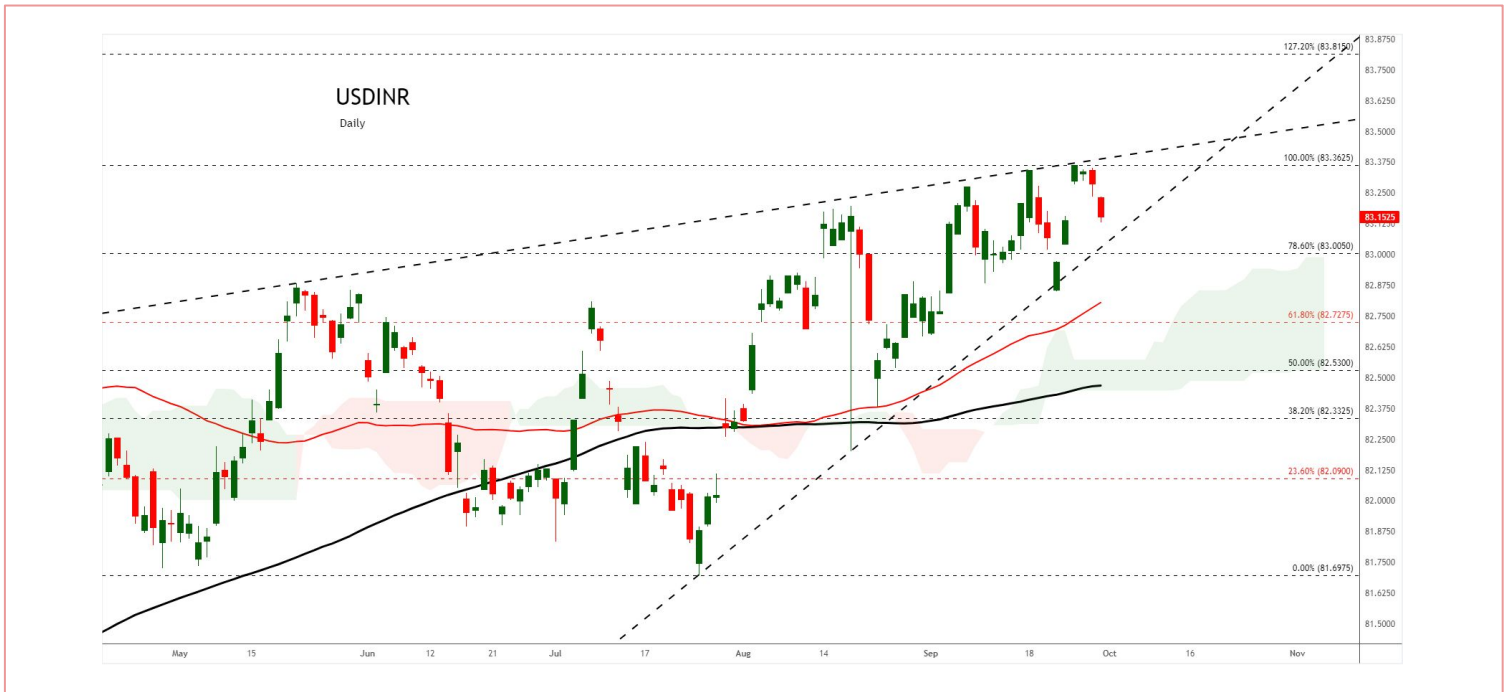
International Currencies

Currency	Last	% Change
EURUSD	1.0466	-0.05
GBPUSD	1.2069	-0.07
USDJPY	149.25	0.04
USDCAD	1.371	-0.01
USDAUD	1.5865	0.09
USDCHF	92.15	0.04

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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	83.3025	83.37	83.34	83.30	83.27	83.23
28-Nov-23	83.4200	83.54	83.48	83.38	83.32	83.22

Observations

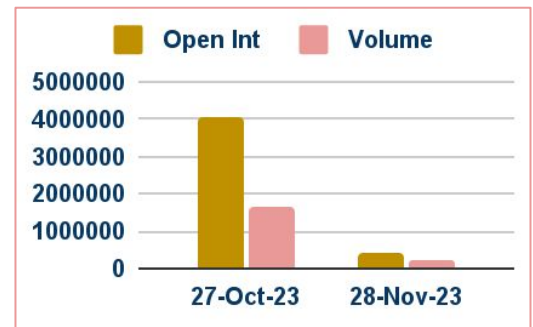
USDINR trading range for the day is 83.23-83.37.

Rupee dropped amid persistent concerns that U.S. interest rates will stay higher for longer.

The S&P Global India Manufacturing PMI slipped to 57.5 in September 2023 from 58.6.

India's unemployment rate declines to 1-year low in September

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.1175

Technical Snapshot



SELL EURINR OCT @ 87.5 SL 87.7 TGT 87.25-87.1.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	87.3625	87.66	87.51	87.39	87.24	87.12
28-Nov-23	87.5825	88.21	87.90	87.69	87.38	87.17

Observations

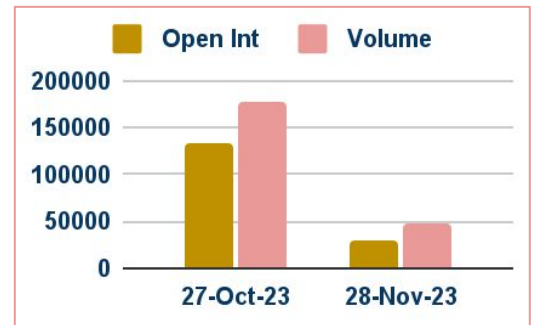
EURINR trading range for the day is 87.12-87.66.

Euro dropped tracking global markets lower as a strong dollar and surging Treasury yields dented investor sentiment.

Eurozone Manufacturing PMI was confirmed at 43.4 in September 2023, remaining little changed from the previous month's 43.5.

Germany Manufacturing PMI was revised slightly lower to 39.6 in September 2023 from a preliminary of 39.8

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.1175

Technical Snapshot



BUY GBPINR OCT @ 100.25 SL 100 TGT 100.6-100.8.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	100.5125	101.05	100.78	100.63	100.36	100.21
28-Nov-23	100.6900	101.15	100.93	100.79	100.57	100.43

Observations

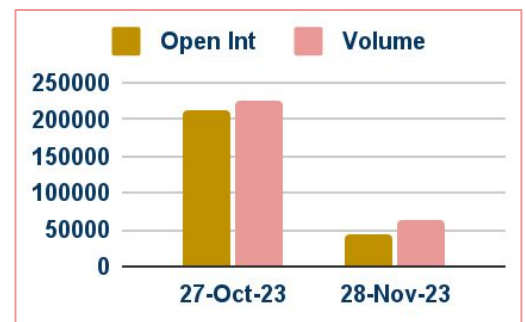
GBPINR trading range for the day is 100.21-101.05.

GBP dropped as investors assessed signs of cooling inflation in light of expectations

The most recent PMI survey indicated that manufacturing activity contracted sharply in September

The latest GDP report from last week suggested that Britain's economy grew by 0.2% in Q2

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.1175

Technical Snapshot



BUY JPYINR OCT @ 55.65 SL 55.45 TGT 55.9-56.1.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	55.8500	56.04	55.95	55.89	55.80	55.74
28-Nov-23	56.2025	56.43	56.32	56.24	56.13	56.05

Observations

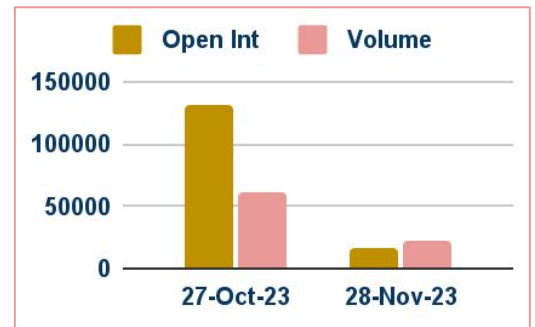
JPYINR trading range for the day is 55.74-56.04.

JPY dropped prompting Finance Minister Shunichi Suzuki to warn that he was watching currency moves “cautiously”

Japan Finmin Suzuki says authorities stand ready to respond in forex market

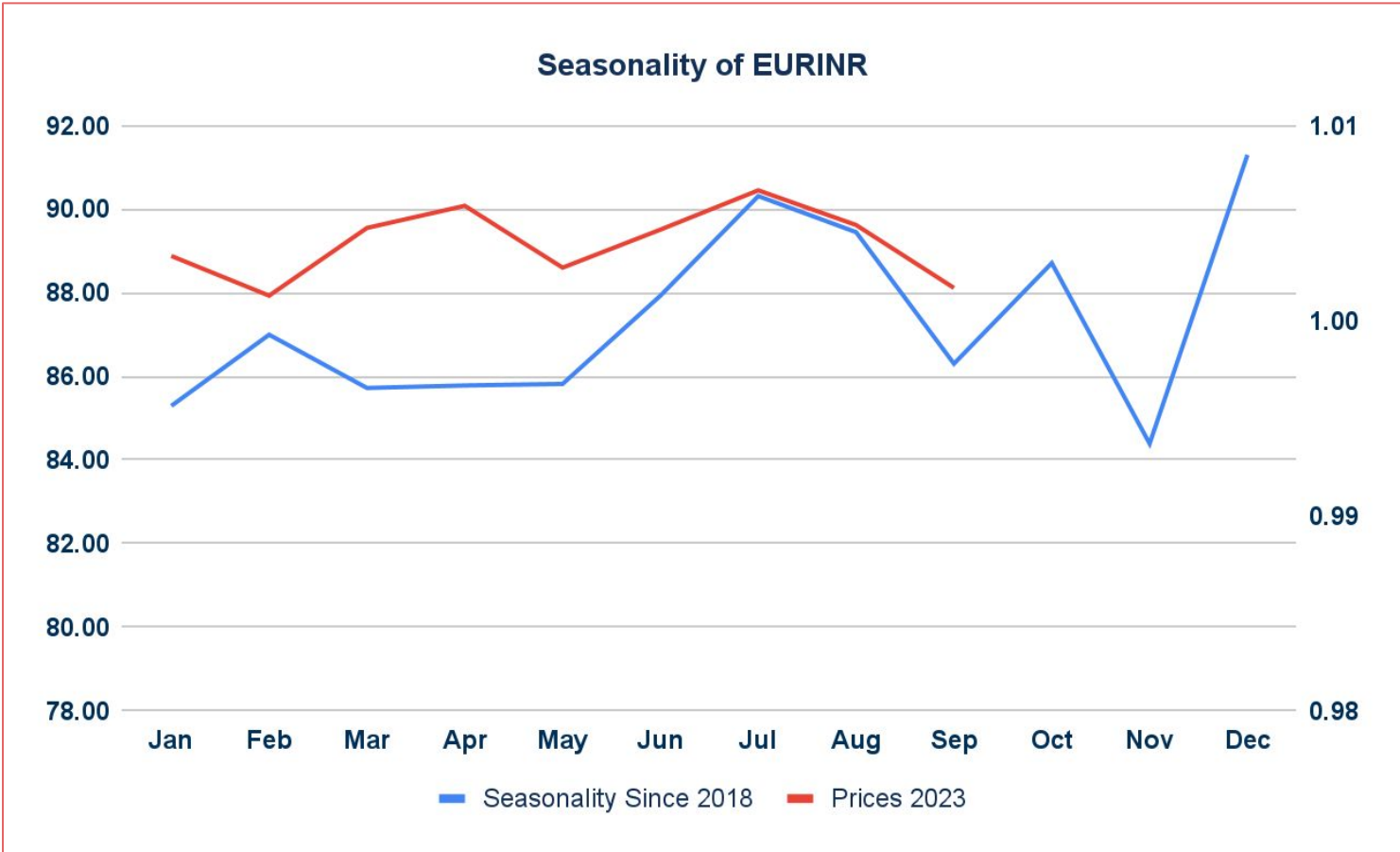
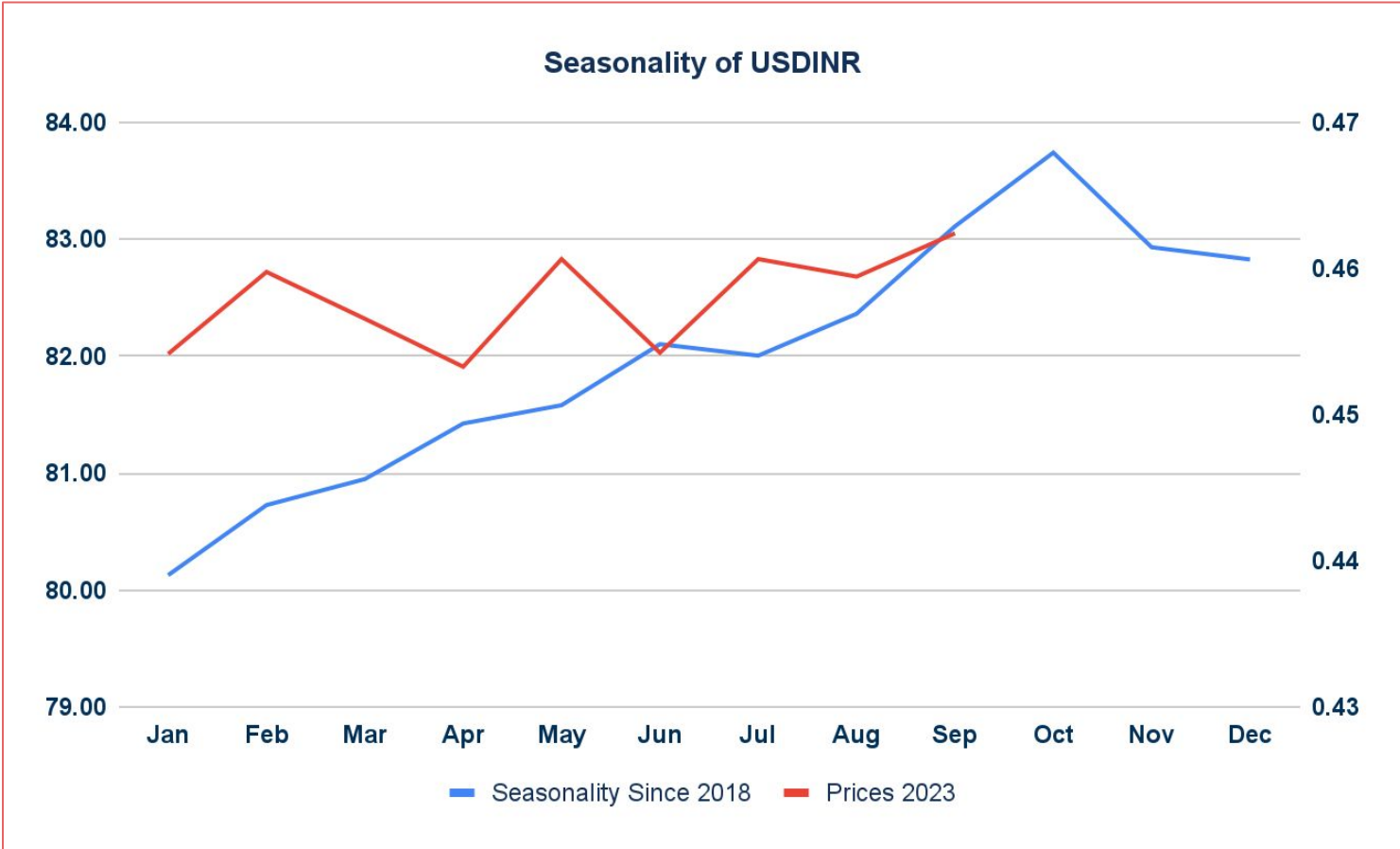
Japan monetary base spikes 5.6% on year in September

OI & Volume

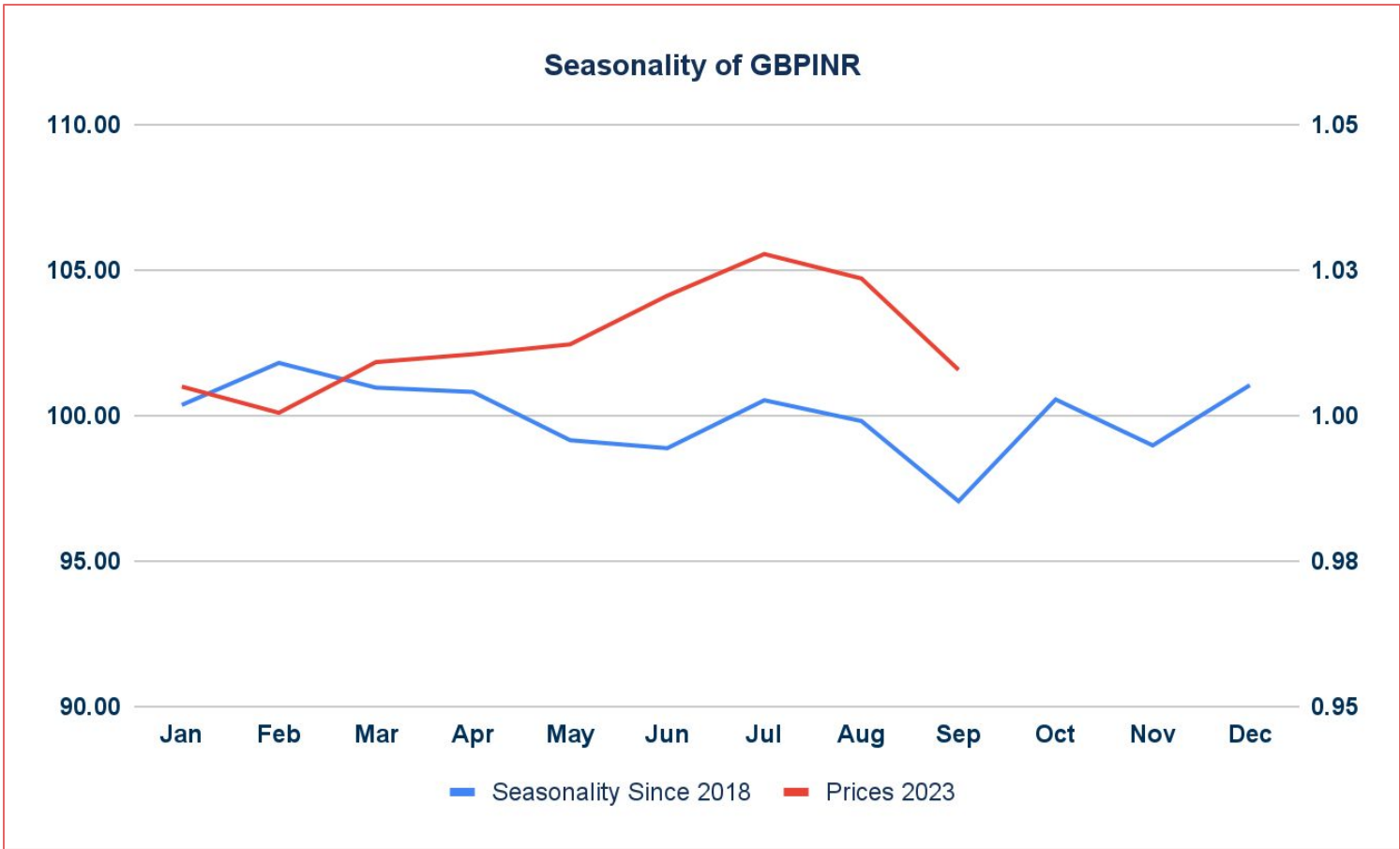


Spread

Currency	Spread
USDINR NOV-OCT	0.1175



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Economic Data

Date	Curr.	Data	Date	Curr.	Data
Oct 2	EUR	Final Manufacturing PMI	Oct 4	USD	Final Services PMI
Oct 2	EUR	Italian Monthly Unemployment Rate	Oct 4	USD	ISM Services PMI
Oct 2	EUR	Unemployment Rate	Oct 4	USD	Factory Orders m/m
Oct 2	USD	Final Manufacturing PMI	Oct 4	USD	Crude Oil Inventories
Oct 2	USD	ISM Manufacturing PMI	Oct 5	EUR	German Trade Balance
Oct 2	USD	ISM Manufacturing Prices	Oct 5	USD	Challenger Job Cuts y/y
Oct 2	USD	Construction Spending m/m	Oct 5	USD	Unemployment Claims
Oct 3	EUR	French Gov Budget Balance	Oct 5	USD	Trade Balance
Oct 3	USD	JOLTS Job Openings	Oct 5	USD	Natural Gas Storage
Oct 4	EUR	Spanish Services PMI	Oct 5	USD	FOMC Member Barr Speaks
Oct 4	EUR	German Final Services PMI	Oct 6	EUR	German Factory Orders m/m
Oct 4	EUR	Final Services PMI	Oct 6	EUR	Italian Retail Sales m/m
Oct 4	EUR	PPI m/m	Oct 6	USD	Average Hourly Earnings m/m
Oct 4	EUR	Retail Sales m/m	Oct 6	USD	Non-Farm Employment Change
Oct 4	USD	ADP Non-Farm Employment Change	Oct 6	USD	Unemployment Rate

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 ISM Manufacturing PMI rose to 49 in September of 2023 from 47.6 in the previous month, well above market expectations of 47.8 to reflect the slowest contraction in the US manufacturing sector in ten months. Despite the softened slowdown, the data still pointed to nearly one year's worth of consecutive monthly contractions in US factory activity, underscoring the impact of higher borrowing costs from the Federal Reserve in the sector. Despite declining for the 13th month, new orders fell at a significantly slower pace as the evolving supply chain environment drove customers to take on more projects. Consequently, production rebounded from August's stagnation and grew the most since July 2022, also supported by the rapid depletion of backlogs. Employment was also solid and rebounded from 3 periods of contraction. In the meantime, the decline in prices fell for the fifth straight month, raising hopes of larger margins for manufacturers.

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