

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

15 Dec 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-Dec-23	83.3725	83.3875	83.3000	83.3425	-0.14
USDINR	29-Jan-24	83.4500	83.4975	83.3925	83.4325	-0.13
EURINR	27-Dec-23	90.8225	91.1075	90.7450	91.0450	1.15
EURINR	29-Jan-24	90.8600	91.2800	90.8600	91.2075	1.14
GBPINR	27-Dec-23	105.2625	105.6350	105.1525	105.5700	1.06
GBPINR	29-Jan-24	105.2500	105.7325	105.0000	105.6725	1.06
JPYINR	27-Dec-23	58.7625	59.1700	58.7275	58.9950	2.70
JPYINR	29-Jan-24	58.5000	59.5050	58.1000	59.3700	2.71

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	27-Dec-23	-0.14	-4.27	Long Liquidation
USDINR	29-Jan-24	-0.13	3.45	Fresh Selling
EURINR	27-Dec-23	1.15	1.45	Fresh Buying
EURINR	29-Jan-24	1.14	83.63	Fresh Buying
GBPINR	27-Dec-23	1.06	8.59	Fresh Buying
GBPINR	29-Jan-24	1.06	33.65	Fresh Buying
JPYINR	27-Dec-23	2.70	40.40	Fresh Buying
JPYINR	29-Jan-24	2.71	104.10	Fresh Buying

Global Indices

Index	Last	%Chg
Nifty	21182.70	1.23
Dow Jones	37248.35	0.43
NASDAQ	14761.56	0.19
CAC	7575.85	0.59
FTSE 100	7648.98	1.33
Nikkei	33098.33	1.26

International Currencies

Currency	Last	% Change
EURUSD	1.0996	0.00
GBPUSD	1.2763	-0.05
USDJPY	141.99	-0.20
USDCAD	1.3391	-0.14
USDAUD	1.4888	-0.21
USDCHF	86.68	-0.05

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Technical Snapshot



SELL USDINR DEC @ 83.5 SL 83.65 TGT 83.35-83.2.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	83.3425	83.43	83.38	83.34	83.29	83.25
29-Jan-24	83.4325	83.55	83.49	83.44	83.38	83.33

Observations

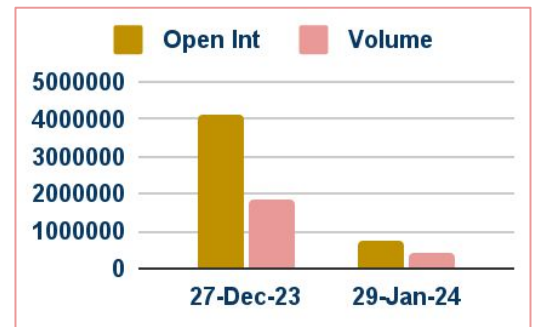
USDINR trading range for the day is 83.25-83.43.

Rupee gained after the U.S. Federal Reserve delivered a dovish hold on policy rates.

India's wholesale prices increased by 0.26 percent year-on-year in November 2023, beating market estimates of a 0.08 percent rise

RBI Governor Das stated that the Indian economy remains vulnerable to recurring and overlapping food price shocks.

OI & Volume



Spread

Currency	Spread
USDINR JAN-DEC	0.0900

Technical Snapshot



BUY EURINR DEC @ 91 SL 90.8 TGT 91.3-91.5.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	91.0450	91.34	91.20	90.97	90.83	90.60
29-Jan-24	91.2075	91.54	91.38	91.12	90.96	90.70

Observations

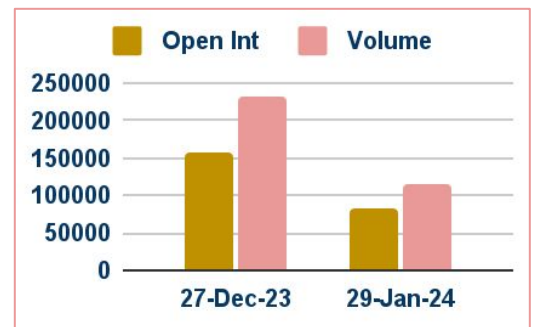
EURINR trading range for the day is 90.6-91.34.

Euro appreciated after the Federal Reserve "dot plot" projections pointed to three 25bps rate cuts next year

The ECB maintained interest rates at multi-year highs for the second consecutive meeting

Euro zone industrial production declined by more than expected in October

OI & Volume



Spread

Currency	Spread
EURINR JAN-DEC	0.1625

Technical Snapshot



BUY GBPINR DEC @ 105.5 SL 105.3 TGT 105.85-106.15.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	105.5700	105.93	105.75	105.45	105.27	104.97
29-Jan-24	105.6725	106.20	105.94	105.47	105.21	104.74

Observations

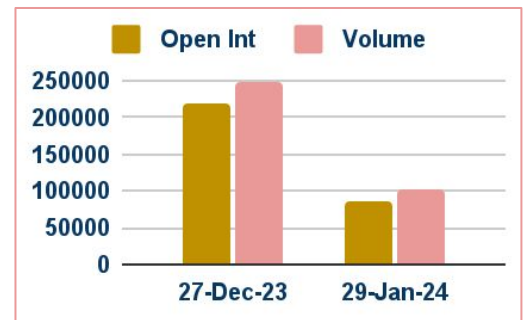
GBPINR trading range for the day is 104.97-105.93.

GBP gains buoyed by a weakening dollar following hints from Fed about an aggressive 75 basis point rate cut slated for next year

BOE voted by a majority of 6-3 to uphold its benchmark interest rate at a 15-year high of 5.25% for the third consecutive time

UK house price balance improves further in Nov

OI & Volume



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Currency	Spread
GBPINR JAN-DEC	0.1025

Technical Snapshot



BUY JPYINR DEC @ 58.5 SL 58.25 TGT 58.8-59.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	58.9950	59.40	59.19	58.96	58.75	58.52
29-Jan-24	59.3700	60.39	59.88	58.99	58.48	57.59

Observations

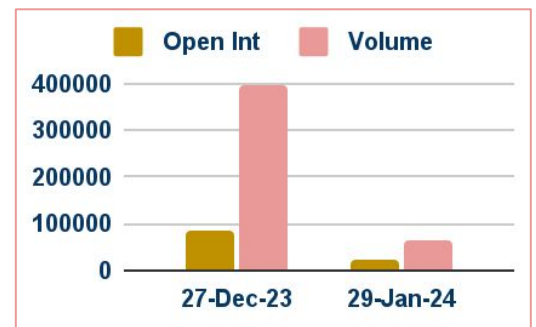
JPYINR trading range for the day is 58.52-59.4.

JPY rose after US Federal Reserve officials indicated multiple rate cuts next year.

Japan's core machinery orders, rose 0.7% month-on-month in October 2023, slowing from a 1.4% gain in September

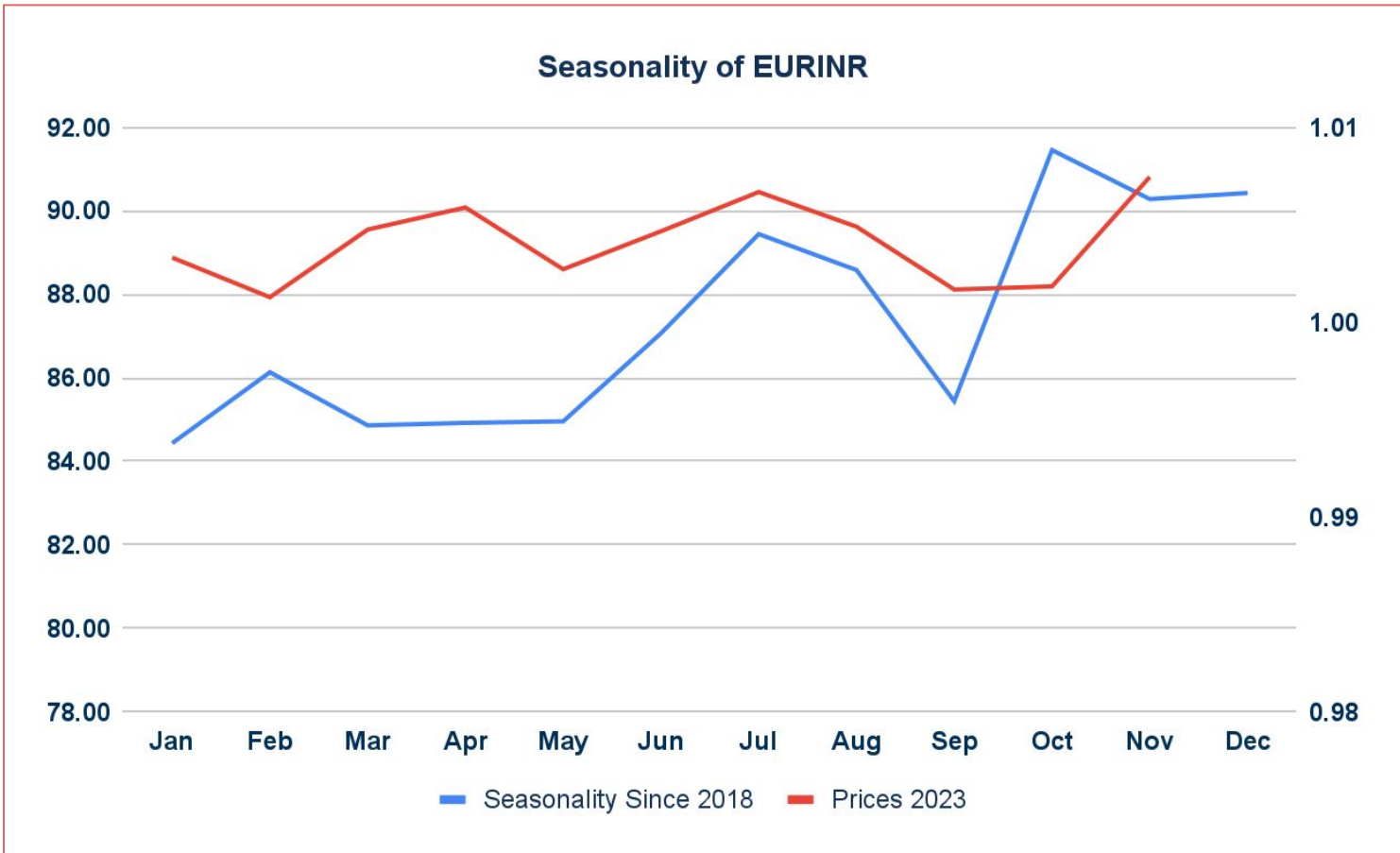
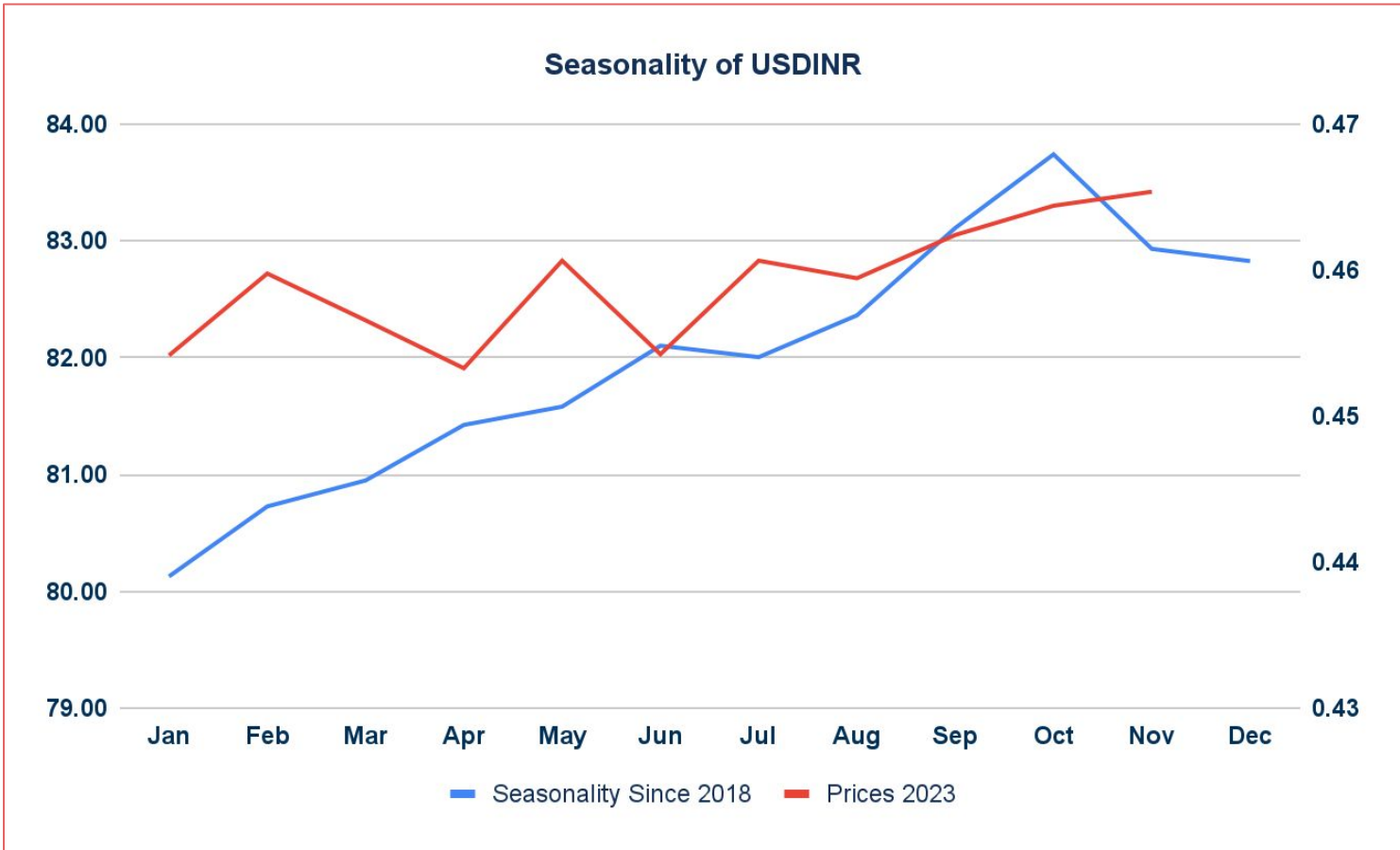
Industrial production growth in Japan was revised higher to 1.3% month-over-month in October 2023

OI & Volume



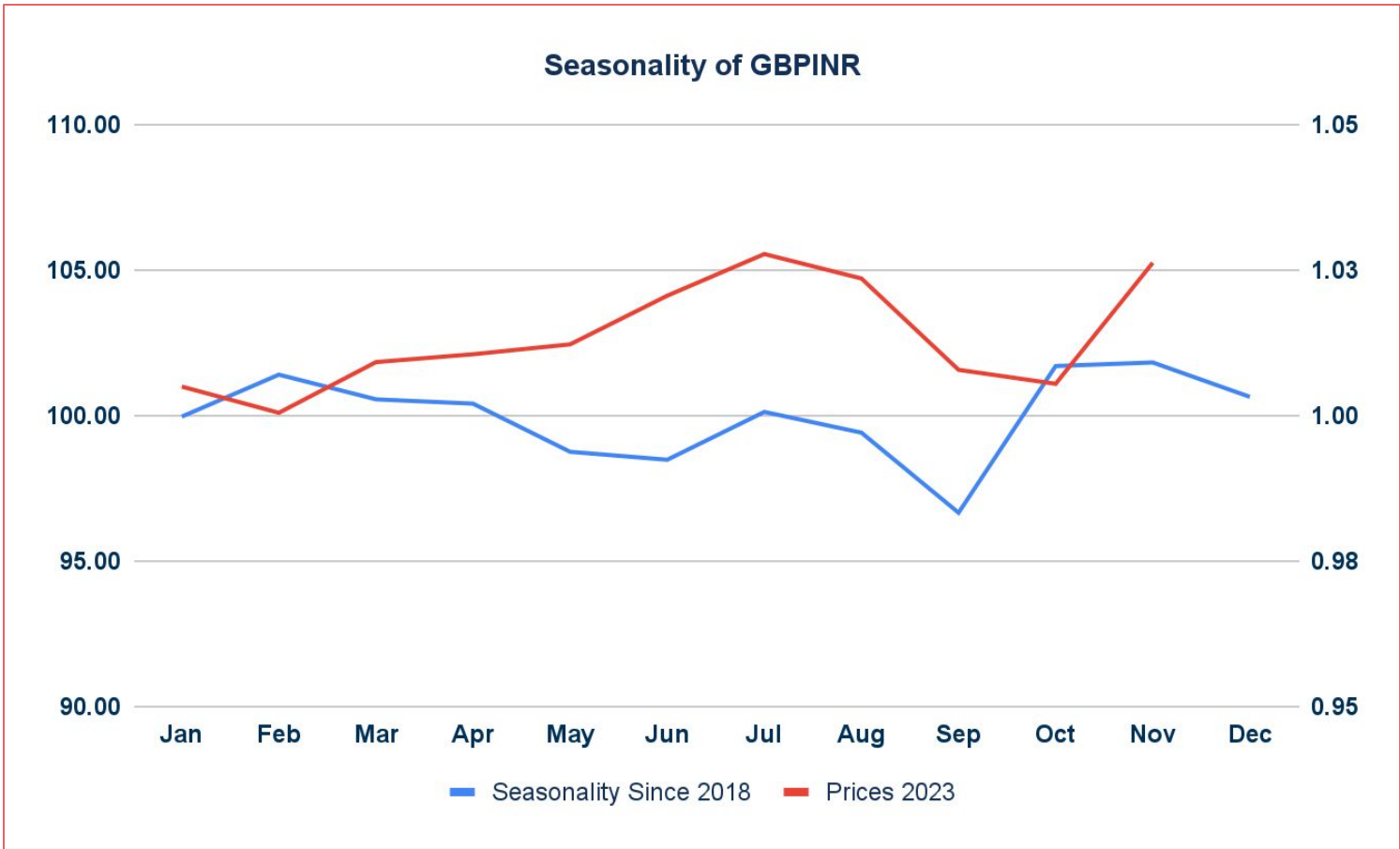
Spread

Currency	Spread
JPYINR JAN-DEC	0.3750



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Economic Data

Date	Curr.	Data
Dec 12	EUR	German WPI m/m
Dec 12	EUR	ZEW Economic Sentiment
Dec 12	EUR	German ZEW Economic Sentiment
Dec 12	USD	NFIB Small Business Index
Dec 12	USD	Core CPI m/m
Dec 12	USD	CPI m/m
Dec 12	USD	CPI y/y
Dec 13	EUR	Industrial Production m/m
Dec 13	USD	Core PPI m/m
Dec 13	USD	PPI m/m
Dec 13	USD	Crude Oil Inventories
Dec 14	USD	Federal Funds Rate
Dec 14	EUR	Main Refinancing Rate
Dec 14	EUR	Monetary Policy Statement
Dec 14	USD	Core Retail Sales m/m

Date	Curr.	Data
Dec 14	USD	Retail Sales m/m
Dec 14	USD	Unemployment Claims
Dec 14	USD	Import Prices m/m
Dec 14	EUR	ECB Press Conference
Dec 14	USD	Business Inventories m/m
Dec 14	USD	Natural Gas Storage
Dec 15	EUR	German Flash Manufacturing PMI
Dec 15	EUR	German Flash Services PMI
Dec 15	EUR	Flash Manufacturing PMI
Dec 15	EUR	Flash Services PMI
Dec 15	USD	Empire State Manufacturing Index
Dec 15	USD	Industrial Production m/m
Dec 15	USD	Capacity Utilization Rate
Dec 15	USD	Flash Manufacturing PMI
Dec 15	USD	Flash Services PMI

News

Federal Reserve Chair Jerome Powell said that central bank officials have yet to decide when they will end their balance sheet reduction effort even as they are now actively contemplating interest rate cuts next year. "We are not talking about altering the pace of Q.T. right now," Powell said at his press conference following the Fed's policy decision. Q.T. refers to quantitative tightening, or the contraction of the Fed's bond-holdings. Powell spoke after a Fed meeting that kept interest rates steady at between 5.25% and 5.5%, with officials penciling in three quarters of a percentage points' worth of cuts in the new year. The Fed, which targets 2% inflation, is weighing lower rates due to abating inflation pressures. The Fed has been trimming its balance sheet since last year in an effort to complement rate hikes. The Fed has been shedding just shy of \$100 billion per month in Treasury and mortgage securities, taking its holdings from just shy of \$9 trillion in the summer of last year to \$7.7 trillion now. The Fed bought bonds aggressively to stabilize markets and stimulate growth during the pandemic. Taking liquidity back out is part of its process of returning monetary policy to a normal footing.

U.S. producer prices were unexpectedly unchanged in November amid cheaper energy goods, and underlying inflation pressures at the factory gate were muted. The report from the Labor Department was consistent with a sluggish manufacturing sector and offered hope that overall inflation would continue to subside. Federal Reserve officials were wrapping up their two-day meeting on Wednesday. The U.S. central bank is expected to keep its policy rate unchanged in the current 5.25%-5.50% range, having raised it by 525 basis points since March 2022. The unchanged reading in the producer price index for final demand in November reported by the Labor Department's Bureau of Labor Statistics followed a revised 0.4% drop in October. The PPI was previously reported to have declined 0.5% in October. Goods prices were unchanged in November as a 1.2% decline in the cost of energy products was offset by a 0.6% rebound in food prices. Goods prices dropped 1.4% in October. Food prices, which had dipped 0.1% in October, were last month boosted by a 58.8% surge in wholesale prices of eggs. Prices for fresh fruits and melons also rose.

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**KEDIA ADVISORY****KEDIA STOCKS & COMMODITIES RESEARCH PVT LTD****Mumbai, India****SEBI REGISTRATION NUMBER - INH000006156****For more details, please contact: +91 93234 06035 / 96195 51022****Email: info@kediaadvisory.com****Regd.Off.: 1, 2, 3 & 4, 1st Floor, Tulip Bldg, Flower Valley Complex, Khadakpada Circle,
Kalyan-(W), Mumbai-421301**