

KEDIA ADVISORY

# DAILY CURRENCY OUTLOOK

30 Nov 2023

- USDINR
- EURINR
- GBPINR
- JPYINR



Kedia Stocks & Commodities Research Pvt. Ltd.

Research Advisory | White Labelling | Digital Marketing





## Domestic Currencies

| Currency | Expiry    | Open     | High     | Low      | Close    | % Change |
|----------|-----------|----------|----------|----------|----------|----------|
| USDINR   | 27-Dec-23 | 83.3750  | 83.3775  | 83.3100  | 83.3700  | -0.02    |
| USDINR   | 29-Jan-24 | 83.4325  | 83.4475  | 83.3925  | 83.4375  | -0.03    |
| EURINR   | 27-Dec-23 | 91.7250  | 91.7800  | 91.5025  | 91.5425  | 0.16     |
| EURINR   | 29-Jan-24 | 91.0000  | 91.9400  | 91.0000  | 91.7175  | 0.18     |
| GBPINR   | 27-Dec-23 | 105.8650 | 105.9875 | 105.6150 | 105.6875 | 0.37     |
| GBPINR   | 29-Jan-24 | 105.4900 | 106.0600 | 105.4900 | 105.7600 | 0.35     |
| JPYINR   | 27-Dec-23 | 56.8550  | 56.9850  | 56.6950  | 56.7275  | 0.56     |
| JPYINR   | 29-Jan-24 | 57.1225  | 57.3325  | 57.0475  | 57.0825  | 0.54     |

## Open Interest Snapshot

| Currency | Expiry    | % Change | % Oi Change | Oi Status      |
|----------|-----------|----------|-------------|----------------|
| USDINR   | 27-Dec-23 | -0.02    | 3.08        | Fresh Selling  |
| USDINR   | 29-Jan-24 | -0.03    | 3.76        | Fresh Selling  |
| EURINR   | 27-Dec-23 | 0.16     | 5.57        | Fresh Buying   |
| EURINR   | 29-Jan-24 | 0.18     | 10.91       | Fresh Buying   |
| GBPINR   | 27-Dec-23 | 0.37     | 2.82        | Fresh Buying   |
| GBPINR   | 29-Jan-24 | 0.35     | 2.69        | Fresh Buying   |
| JPYINR   | 27-Dec-23 | 0.56     | -11.64      | Short Covering |
| JPYINR   | 29-Jan-24 | 0.54     | -3.39       | Short Covering |

## Global Indices

| Index     | Last     | %Chg  |
|-----------|----------|-------|
| Nifty     | 20096.60 | 1.04  |
| Dow Jones | 35430.42 | 0.04  |
| NASDAQ    | 14258.49 | -0.16 |
| CAC       | 7267.64  | 0.24  |
| FTSE 100  | 7423.46  | -0.43 |
| Nikkei    | 33186.01 | -0.41 |

## International Currencies

| Currency | Last   | % Change |
|----------|--------|----------|
| EURUSD   | 1.0975 | 0.02     |
| GBPUSD   | 1.2699 | 0.02     |
| USDJPY   | 147.08 | 0.03     |
| USDCAD   | 1.3589 | -0.01    |
| USDAUD   | 1.5093 | -0.13    |
| USDCHF   | 87.25  | -0.10    |

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## Technical Snapshot



**SELL USDINR DEC @ 83.4 SL 83.55 TGT 83.22-83.1.**

### Trading Levels

| Expiry    | Close   | R2    | R1    | PP    | S1    | S2    |
|-----------|---------|-------|-------|-------|-------|-------|
| 27-Dec-23 | 83.3700 | 83.42 | 83.39 | 83.35 | 83.32 | 83.28 |
| 29-Jan-24 | 83.4375 | 83.49 | 83.47 | 83.43 | 83.41 | 83.37 |

### Observations

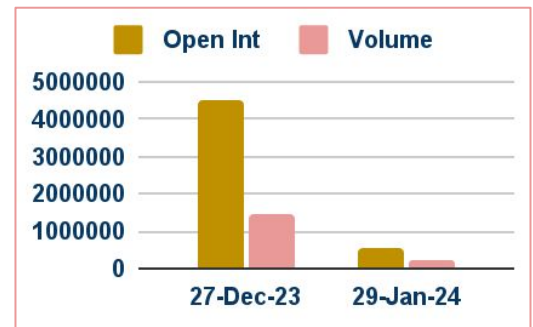
USDINR trading range for the day is 83.28-83.42.

Rupee closed little changed as U.S. dollar demand from oil companies and other importers eroded the impact of the weak dollar

The US economy expanded an annualized 5.2% in Q3, higher than 4.9% in the preliminary estimate, and forecasts of 5%.

S&P Global Ratings raised India's growth forecast for the current financial year to 6.4% from 6.0%.

### OI & Volume



### Spread

| Currency       | Spread |
|----------------|--------|
| USDINR JAN-DEC | 0.0675 |

Technical Snapshot



**SELL EURINR DEC @ 91.6 SL 91.8 TGT 91.4-91.2.**

Trading Levels

| Expiry    | Close   | R2    | R1    | PP    | S1    | S2    |
|-----------|---------|-------|-------|-------|-------|-------|
| 27-Dec-23 | 91.5425 | 91.89 | 91.72 | 91.61 | 91.44 | 91.33 |
| 29-Jan-24 | 91.7175 | 92.49 | 92.10 | 91.55 | 91.16 | 90.61 |

Observations

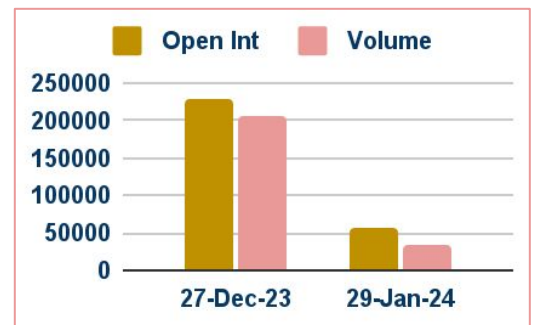
EURINR trading range for the day is 91.33-91.89.

Euro gains as dovish comments from Fed officials weighed on the greenback.

German import prices fall for 8th month

European Central Bank (ECB) Vice President Luis de Guindos said, "our objective is to bring inflation back to 2% target."

OI & Volume



Spread

| Currency       | Spread |
|----------------|--------|
| EURINR JAN-DEC | 0.1750 |



## Technical Snapshot



**SELL GBPINR DEC @ 106 SL 106.3 TGT 105.7-105.5.**

### Trading Levels

| Expiry    | Close    | R2     | R1     | PP     | S1     | S2     |
|-----------|----------|--------|--------|--------|--------|--------|
| 27-Dec-23 | 105.6875 | 106.14 | 105.91 | 105.76 | 105.53 | 105.38 |
| 29-Jan-24 | 105.7600 | 106.34 | 106.05 | 105.77 | 105.48 | 105.20 |

### Observations

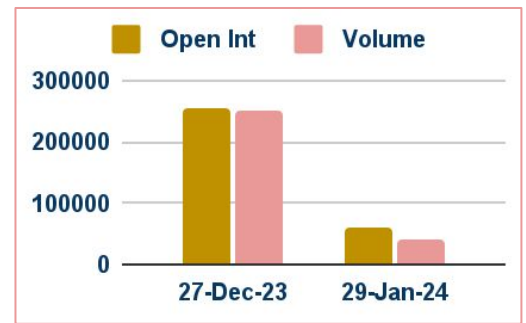
GBPINR trading range for the day is 105.38-106.14.

GBP gains as investors digested hawkish statements from Bank of England policymakers.

Consumer credit in the United Kingdom grew by £1.289 billion in October of 2023

Diminishing odds for an early BoE rate cut remain supportive of the strong follow-through move-up.

### OI & Volume



### Spread

| Currency       | Spread |
|----------------|--------|
| GBPINR JAN-DEC | 0.0725 |

### Technical Snapshot



**SELL JPYINR DEC @ 56.8 SL 57 TGT 56.6-56.4.**

### Trading Levels

| Expiry    | Close   | R2    | R1    | PP    | S1    | S2    |
|-----------|---------|-------|-------|-------|-------|-------|
| 27-Dec-23 | 56.7275 | 57.09 | 56.91 | 56.80 | 56.62 | 56.51 |
| 29-Jan-24 | 57.0825 | 57.43 | 57.25 | 57.15 | 56.97 | 56.87 |

### Observations

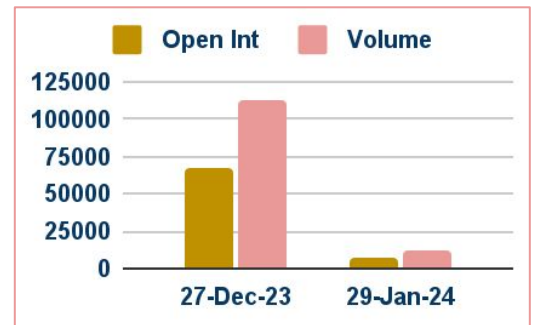
JPYINR trading range for the day is 56.51-57.09.

JPY rose as dovish hints from US policymakers reinforced bets that the Federal Reserve is done raising interest rates

BOJ's Adachi said that the economy is yet to reach a stage where the central bank could debate an exit from ultra-easy monetary policy.

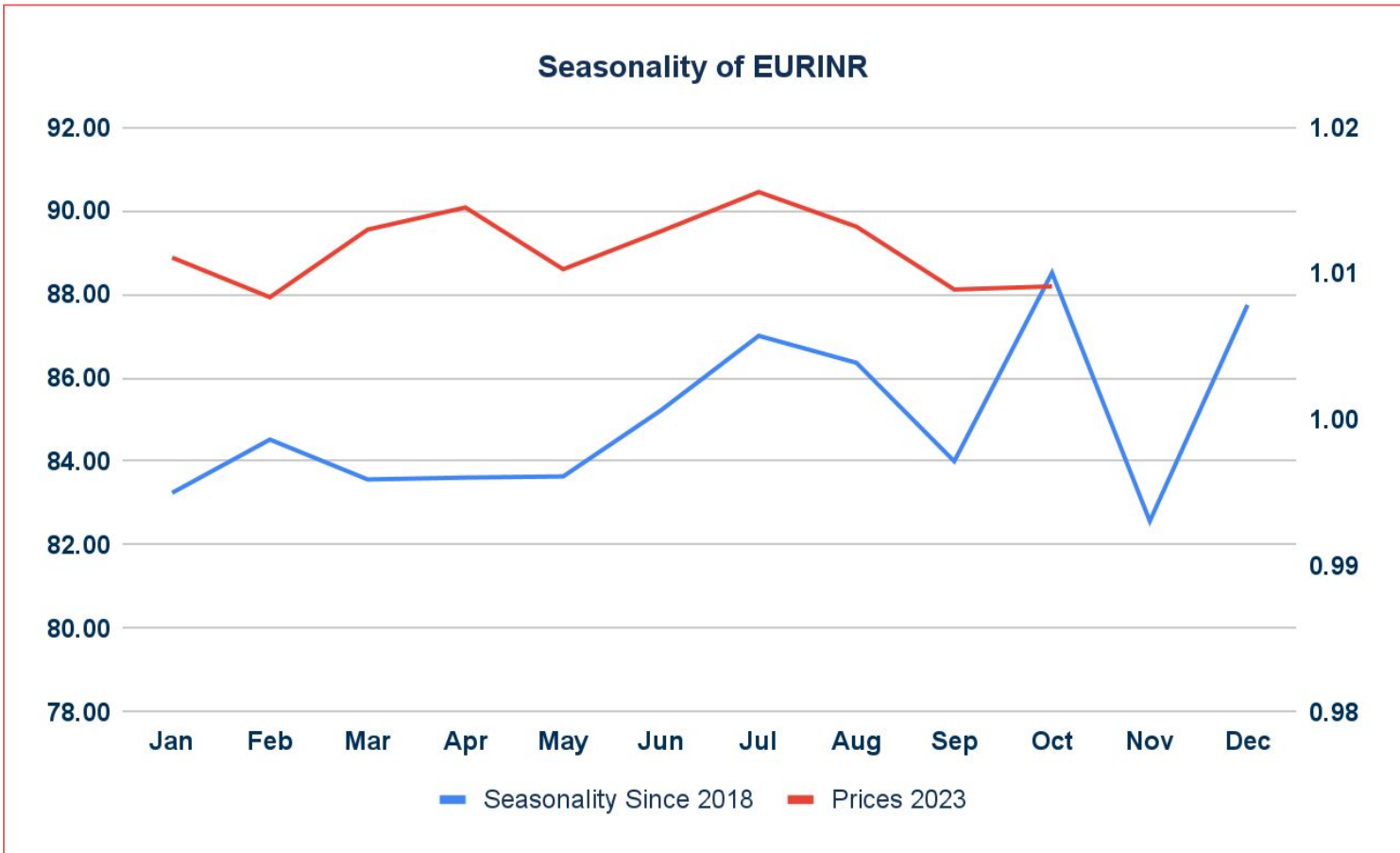
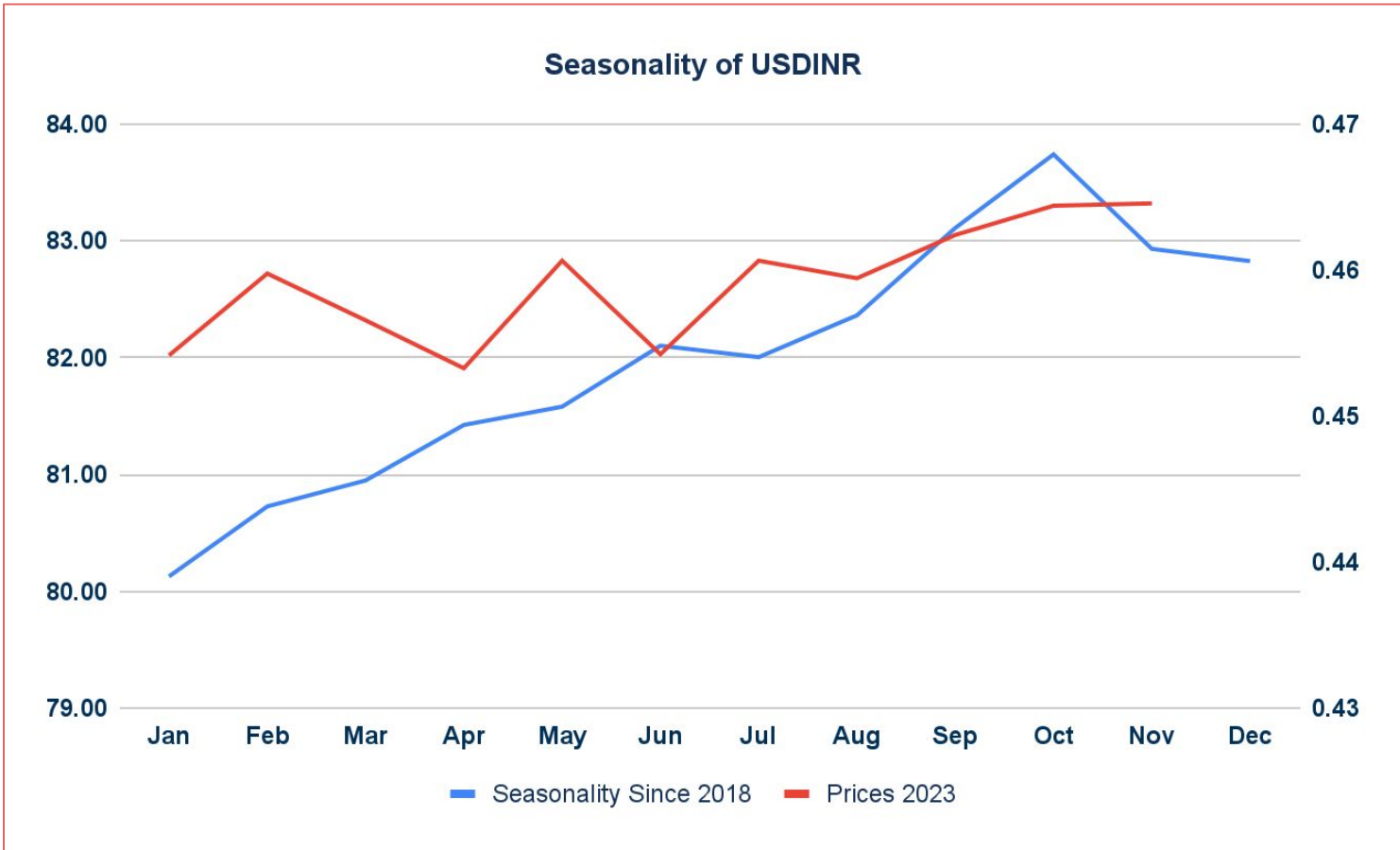
The BOJ reaffirmed its commitment to accommodative monetary policies and re-defined 1% as a loose "upper bound" rather than a rigid cap on 10-year JGBs

### OI & Volume



### Spread

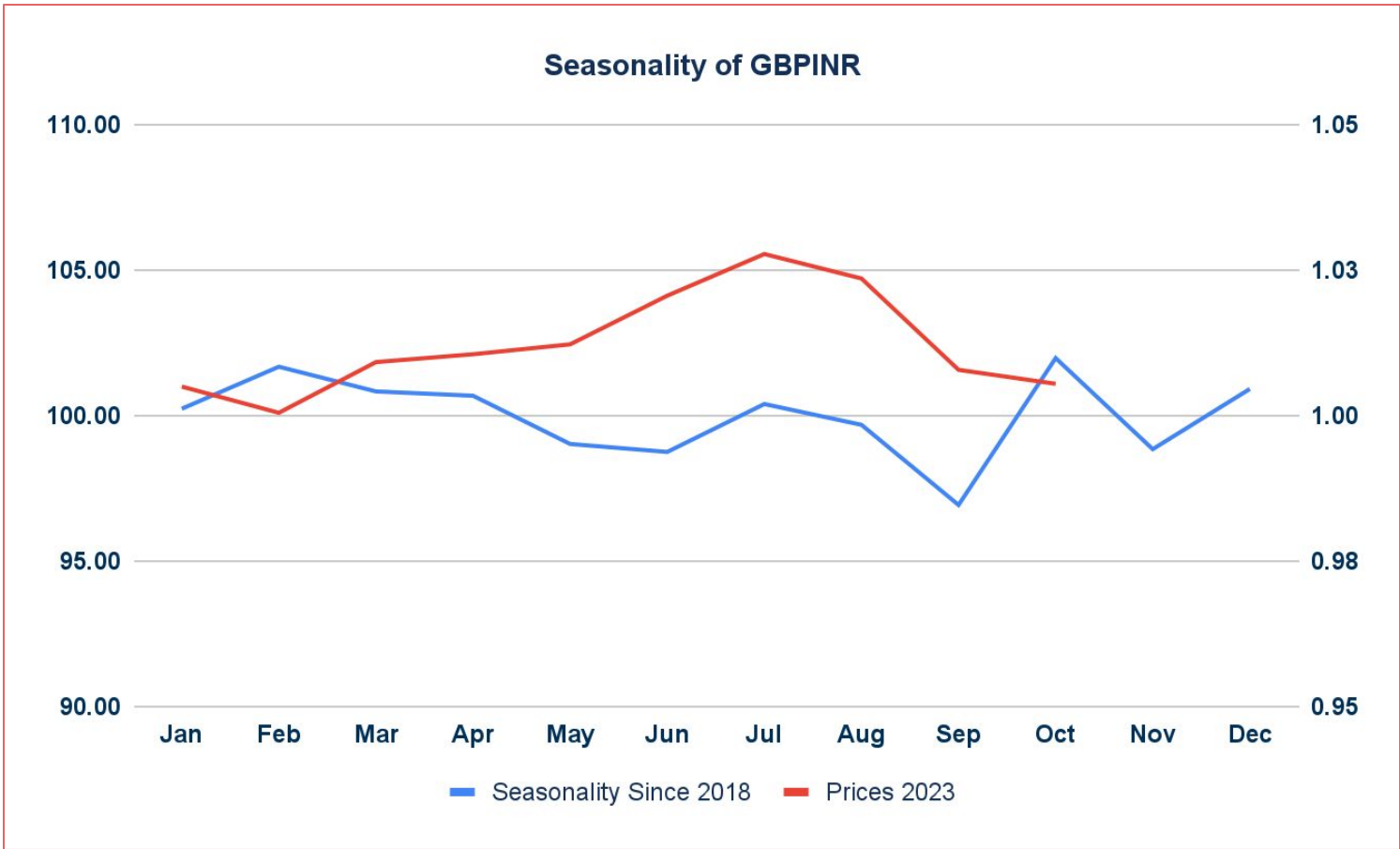
| Currency       | Spread |
|----------------|--------|
| JPYINR JAN-DEC | 0.3550 |



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## Economic Data

| Date   | Curr. | Data                             |
|--------|-------|----------------------------------|
| Nov 28 | USD   | S&P/CS Composite-20 HPI y/y      |
| Nov 28 | USD   | HPI m/m                          |
| Nov 28 | USD   | CB Consumer Confidence           |
| Nov 28 | USD   | Richmond Manufacturing Index     |
| Nov 28 | USD   | FOMC Member Goolsbee Speaks      |
| Nov 28 | USD   | FOMC Member Waller Speaks        |
| Nov 28 | USD   | FOMC Member Bowman Speaks        |
| Nov 28 | EUR   | ECB President Lagarde Speaks     |
| Nov 28 | USD   | FOMC Member Barr Speaks          |
| Nov 29 | USD   | Prelim GDP q/q                   |
| Nov 29 | USD   | Prelim GDP Price Index q/q       |
| Nov 29 | USD   | Goods Trade Balance              |
| Nov 29 | USD   | Prelim Wholesale Inventories m/m |
| Nov 29 | USD   | Crude Oil Inventories            |
| Nov 30 | USD   | Beige Book                       |

| Date   | Curr. | Data                        |
|--------|-------|-----------------------------|
| Nov 30 | USD   | Core PCE Price Index m/m    |
| Nov 30 | USD   | Unemployment Claims         |
| Nov 30 | USD   | Personal Income m/m         |
| Nov 30 | USD   | Personal Spending m/m       |
| Nov 30 | USD   | FOMC Williams Speaks        |
| Nov 30 | USD   | Chicago PMI                 |
| Nov 30 | USD   | Pending Home Sales m/m      |
| Nov 30 | USD   | Natural Gas Storage         |
| Dec 1  | USD   | FOMC Member Barr Speaks     |
| Dec 1  | USD   | Final Manufacturing PMI     |
| Dec 1  | USD   | ISM Manufacturing PMI       |
| Dec 1  | USD   | ISM Manufacturing Prices    |
| Dec 1  | USD   | Construction Spending m/m   |
| Dec 1  | USD   | FOMC Member Goolsbee Speaks |
| Dec 1  | USD   | Fed Chair Powell Speaks     |

## News

The European Central Bank may need to raise interest rates again if the inflation outlook worsens, and the bank should not rush to ease policy too quickly after the steepest set of rates hikes on record, Bundesbank chief Joachim Nagel said. The ECB has signalled steady rates for several quarters ahead and investors are now pricing in early 2024 cuts, prompting conservatives like Nagel to push back on those bets, even if the inflation outlook was "encouraging". "That does not necessarily mean that the current hike cycle is now over," Nagel, an influential voice on the ECB's rate-setting Governing Council, said in a speech in Cyprus. "Of course, it could be that, if the inflation outlook worsened, we might have to raise rates again." A downside surprise, that price growth would return to the ECB's 2% target quicker than forecast, was "much less probable," so it was premature to even speculate about rate cuts, Nagel said. Markets now see about 95 basis points of cuts next year, with the first move expected as soon as April, a timeline a host of policymakers have challenged. A key part of market bets is that economic growth now looks especially weak and the bloc is likely in a shallow recession already, as the labour market and services, key planks in past growth, have started to soften.

The Federal Reserve will need nearly four more years to cover a historic operating loss and start sending profits again to the U.S. Treasury, according to new research from the Federal Reserve Bank of St. Louis. The losses are a product of the Fed's rate rise cycle which saw the central bank sharply increase its interest rate target while at the same time shrinking the size of its balance sheet, both of which are being done to make monetary policy tight enough to cool high levels of inflation. The pincer movement of these two policy actions drove the Fed to start losing money in September 2022. The central bank captures the net negative income situation in an accounting measure called a deferred asset, which as of Nov. 22 stood at \$120.4 billion. As the Fed sees it, the deferred asset is what must be covered before the central bank can again return excess earnings to the Treasury. The Fed has repeatedly stressed that losing money in no way impacts its ability to operate and conduct monetary policy. The research from the St. Louis Fed estimates it will cover the deferred asset by mid-2027.

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