

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

10 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	83.1350	83.2050	83.1025	83.1975	-0.01
USDINR	27-Feb-24	83.2025	83.2850	83.1925	83.2800	-0.01
EURINR	29-Jan-24	91.1975	91.2350	90.9900	91.0125	-0.15
EURINR	27-Feb-24	91.2900	91.3750	91.1325	91.1550	-0.14
GBPINR	29-Jan-24	105.9150	106.0450	105.7425	105.7825	0.06
GBPINR	27-Feb-24	106.0100	106.1100	105.8175	105.8575	0.06
JPYINR	29-Jan-24	58.1050	58.1475	57.8600	57.9500	0.16
JPYINR	27-Feb-24	58.4225	58.4750	58.1975	58.2825	0.15

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	29-Jan-24	-0.01	0.11	Fresh Selling
USDINR	27-Feb-24	-0.01	2.30	Fresh Selling
EURINR	29-Jan-24	-0.15	-12.74	Long Liquidation
EURINR	27-Feb-24	-0.14	-0.49	Long Liquidation
GBPINR	29-Jan-24	0.06	5.86	Fresh Buying
GBPINR	27-Feb-24	0.06	10.19	Fresh Buying
JPYINR	29-Jan-24	0.16	-11.59	Short Covering
JPYINR	27-Feb-24	0.15	-8.17	Short Covering

Global Indices

Index	Last	%Chg
Nifty	21544.85	0.15
Dow Jones	37525.16	-0.42
NASDAQ	14857.71	0.09
CAC	7426.62	-0.32
FTSE 100	7683.96	-0.13
Nikkei	34364.59	1.78

International Currencies

Currency	Last	% Change
EURUSD	1.0933	0.02
GBPUSD	1.2706	-0.03
USDJPY	144.86	0.29
USDCAD	1.3384	-0.05
USDAUD	1.4927	-0.24
USDCHF	85.24	-0.01

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Technical Snapshot



SELL USDINR JAN @ 83.25 SL 83.4 TGT 83.1-83.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	83.1975	83.27	83.24	83.17	83.14	83.07
27-Feb-24	83.2800	83.34	83.31	83.25	83.22	83.16

Observations

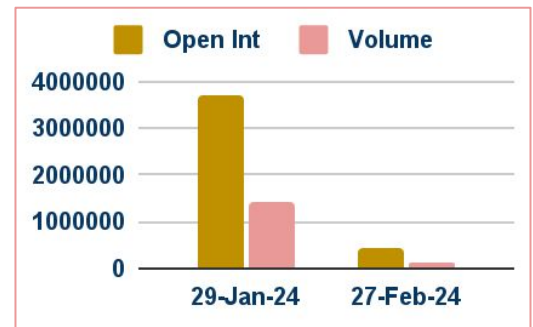
USDINR trading range for the day is 83.07-83.27.

Rupee ended little changed after dollar demand from state-run banks ate into early gains

RBI's intervention in foreign exchange markets to support rupee

Indian GDP grew by 7.3% in 2023-24 fiscal year, higher than expected

OI & Volume



Spread

Currency	Spread
USDINR FEB-JAN	0.0825

Technical Snapshot



SELL EURINR JAN @ 91.2 SL 91.4 TGT 91-90.8.

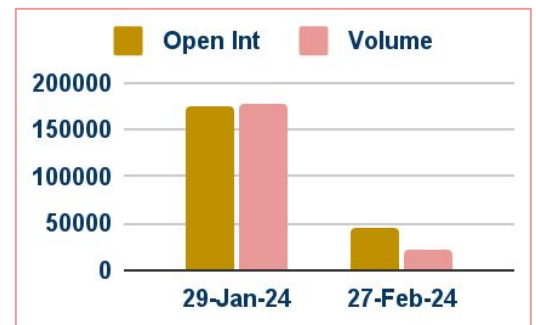
Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	91.0125	91.32	91.17	91.08	90.93	90.84
27-Feb-24	91.1550	91.46	91.31	91.22	91.07	90.98

Observations

EURINR trading range for the day is 90.84-91.32.
 Euro steadied as investors kept an eye on upcoming US inflation data due Thursday
 Euro zone services activity could weaken further in the coming quarters due to rising interest rates
 Investor morale in the euro zone improved for the third consecutive month in January to its highest level since May

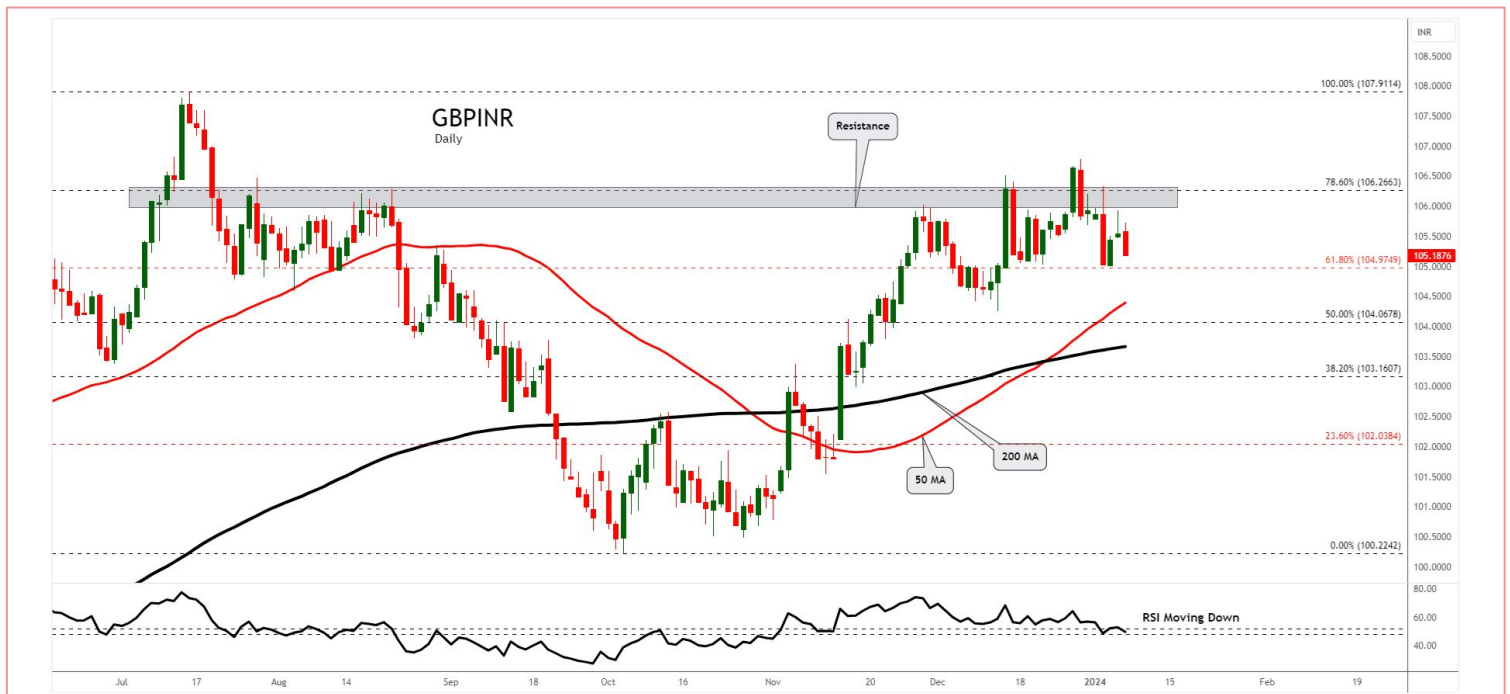
OI & Volume



Spread

Currency	Spread
EURINR FEB-JAN	0.1425

Technical Snapshot



SELL GBPINR JAN @ 106 SL 106.3 TGT 105.7-105.5.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	105.7825	106.16	105.98	105.86	105.68	105.56
27-Feb-24	105.8575	106.22	106.04	105.93	105.75	105.64

Observations

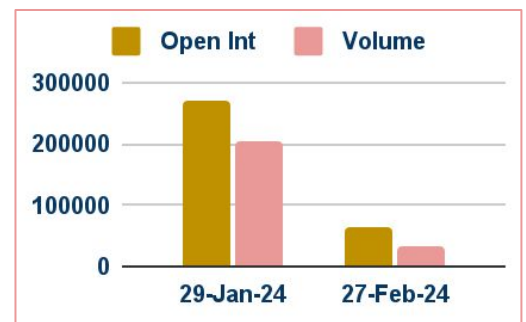
GBPINR trading range for the day is 105.56-106.16.

GBP steadied as investors digested a set of economic data and its potential implications for global monetary policies.

The BoE's former member said the BOE will not be in a position to begin cutting rates in 2024.

Fed's Bostic said inflation in the US has declined further than he had anticipated.

OI & Volume



Spread

Currency	Spread
GBPINR FEB-JAN	0.0750

Technical Snapshot



SELL JPYINR JAN @ 57.95 SL 58.15 TGT 57.75-57.55.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	57.9500	58.28	58.12	57.99	57.83	57.70
27-Feb-24	58.2825	58.59	58.44	58.32	58.17	58.05

Observations

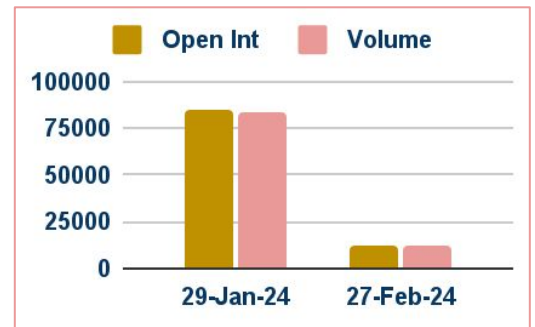
JPYINR trading range for the day is 57.7-58.28.

JPY remained in range amid bets for delay in BoJ's plan for a pivot.

Tokyo inflation report lifts expectations for an eventual hawkish BoJ pivot and boosts the JPY.

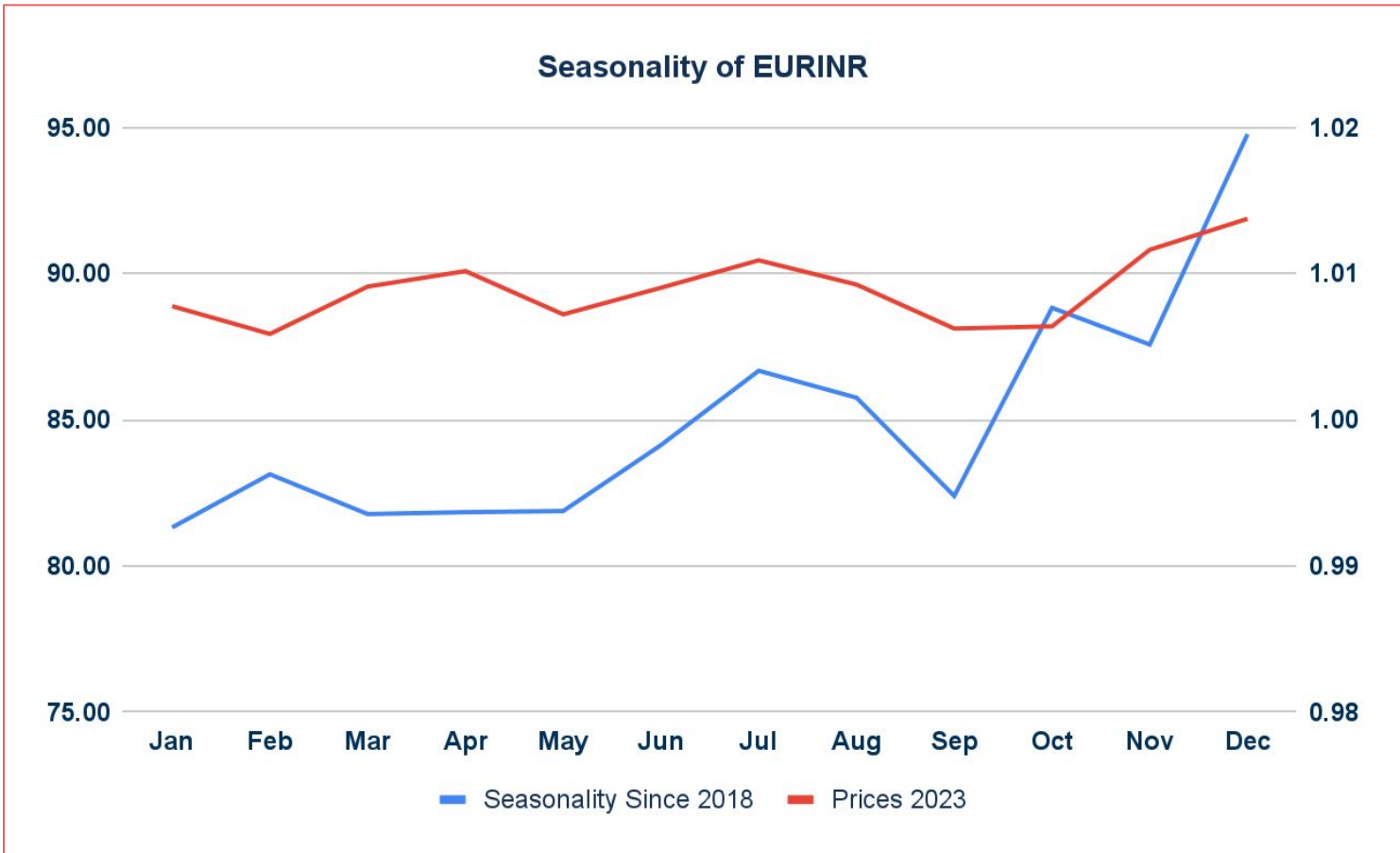
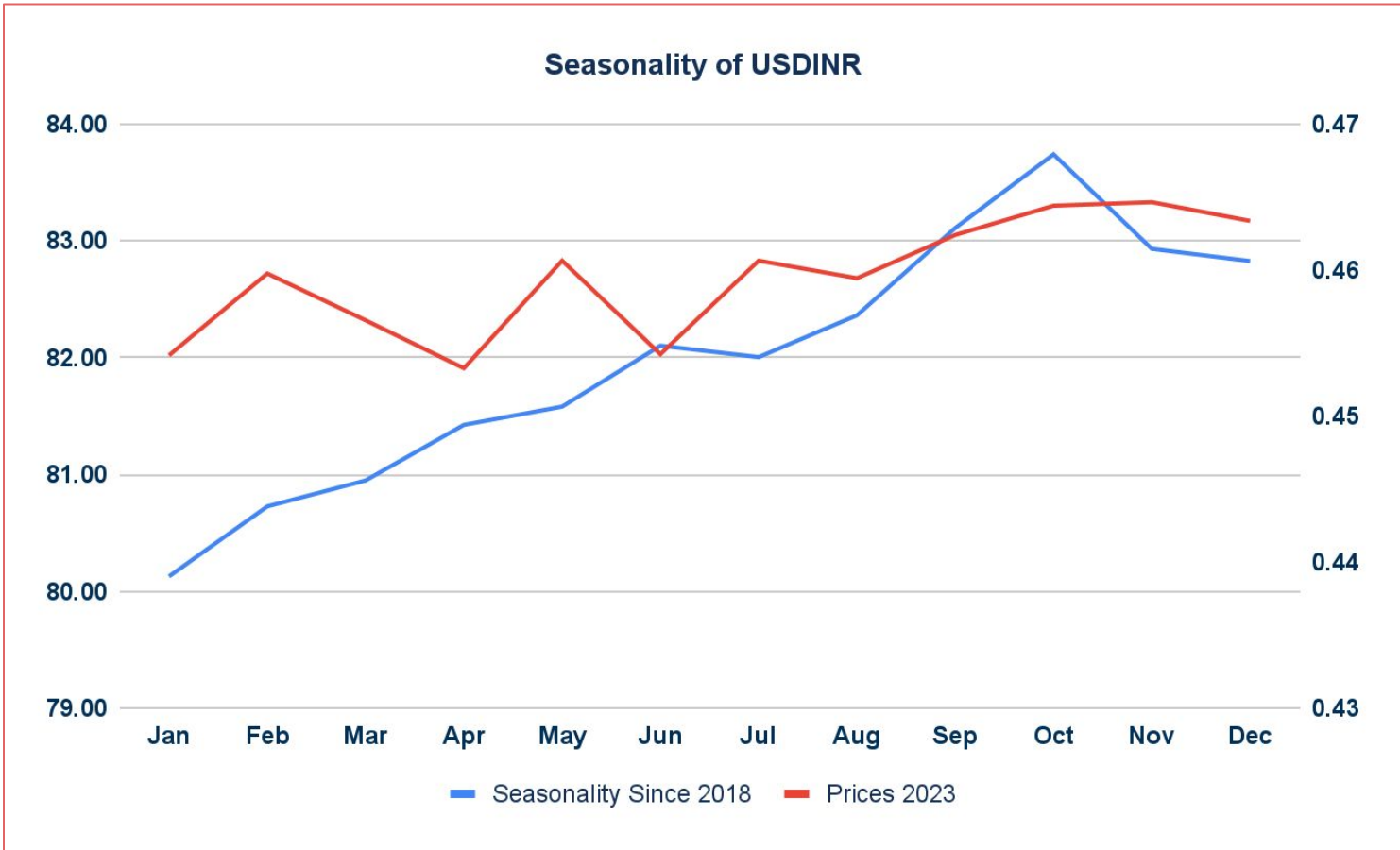
Elevated US bond yields underpin the USD and help limit the downside for the USD/JPY pair.

OI & Volume



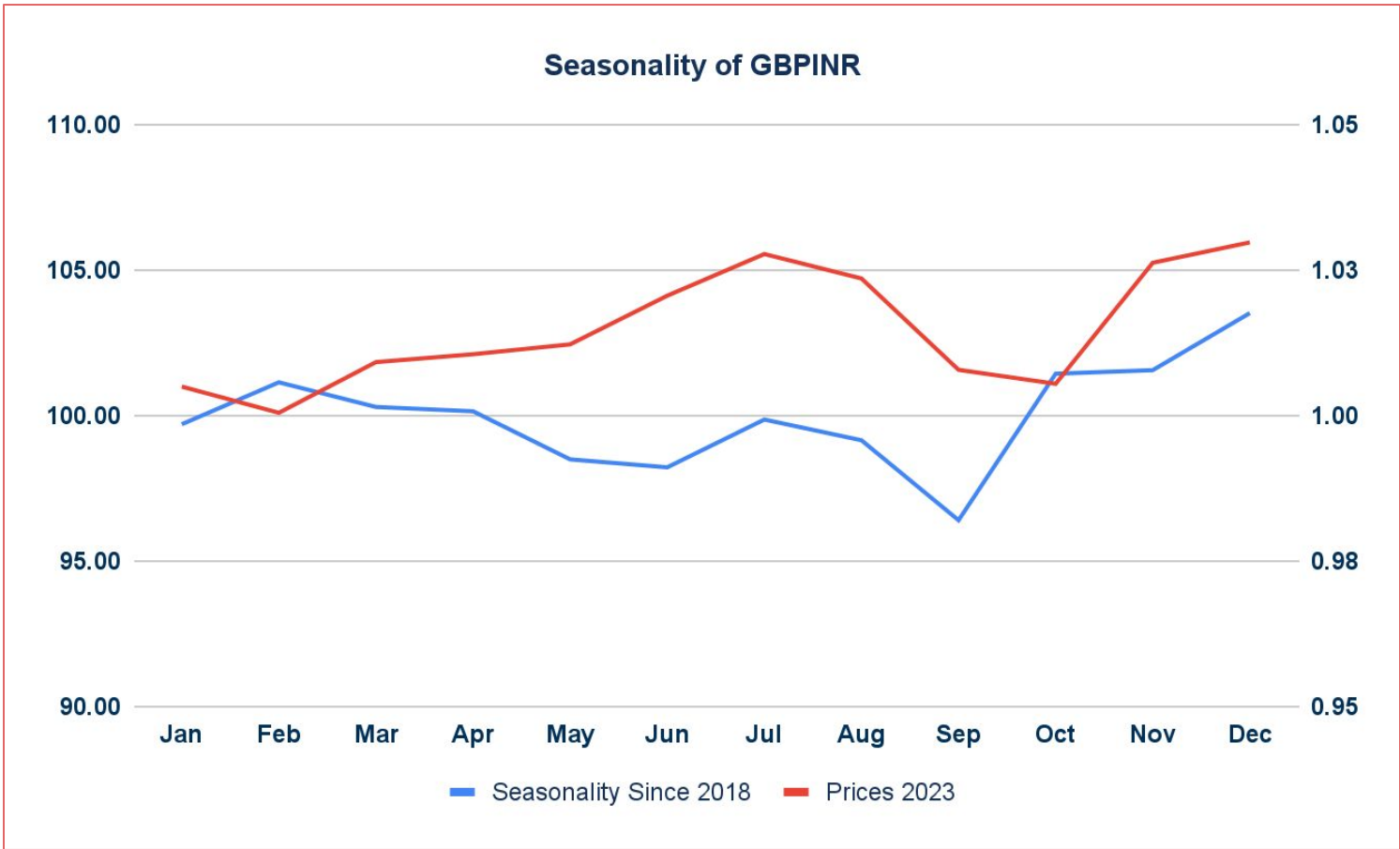
Spread

Currency	Spread
JPYINR FEB-JAN	0.3325



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Economic Data

Date	Curr.	Data
Jan 8	EUR	German Factory Orders m/m
Jan 8	EUR	German Trade Balance
Jan 8	EUR	Sentix Investor Confidence
Jan 8	EUR	Retail Sales m/m
Jan 8	USD	FOMC Member Bostic Speaks
Jan 9	EUR	German Industrial Production m/m
Jan 9	EUR	French Trade Balance
Jan 9	EUR	Italian Monthly Unemployment Rate
Jan 9	EUR	Unemployment Rate
Jan 9	USD	NFIB Small Business Index
Jan 9	USD	Trade Balance
Jan 9	USD	FOMC Member Barr Speaks
Jan 10	EUR	French Industrial Production m/m
Jan 10	EUR	Italian Retail Sales m/m
Jan 10	USD	Final Wholesale Inventories m/m

Date	Curr.	Data
Jan 10	USD	Crude Oil Inventories
Jan 11	USD	FOMC Member Williams Speaks
Jan 11	EUR	ECB Economic Bulletin
Jan 11	EUR	Italian Industrial Production m/m
Jan 11	USD	Core CPI m/m
Jan 11	USD	CPI m/m
Jan 11	USD	CPI y/y
Jan 11	USD	Unemployment Claims
Jan 11	USD	Natural Gas Storage
Jan 11	USD	30-y Bond Auction
Jan 12	USD	Federal Budget Balance
Jan 12	EUR	French Consumer Spending m/m
Jan 12	EUR	French Final CPI m/m
Jan 12	USD	Core PPI m/m
Jan 12	USD	PPI m/m

News

Federal Reserve Governor Michelle Bowman retreated from her persistently hawkish view, saying she now sees U.S. monetary policy as "sufficiently restrictive" and signaled her willingness to support eventual interest-rate cuts as inflation eases. "My view has evolved to consider the possibility that the rate of inflation could decline further with the policy rate held at the current level for some time," Bowman said in remarks prepared for delivery to the South Carolina Bankers Association 2024 Community Bankers Conference. Bowman had previously indicated she felt another rate hike would likely be needed to beat inflation, which by the Fed's preferred measure has fallen from 40-year highs in 2022 to around 2.6% as of November. "Should inflation continue to fall closer to our 2 percent goal over time, it will eventually become appropriate to begin the process of lowering our policy rate to prevent policy from becoming overly restrictive," Bowman said. The Fed last month held its policy rate steady in the 5.25% to 5.5% range, where it has been since last July, and signaled that its next move could be a reduction in the policy rate sometime in 2024.

Core inflation in Japan's capital slowed for the second straight month in December, data showed, taking some pressure off the central bank to rush into exiting ultra-loose monetary policy. The Tokyo inflation data, closely watched as a leading indicator of nationwide price trends, is among key factors the Bank of Japan (BOJ) will scrutinise at the next policy-setting meeting on Jan. 22-23. Tokyo's core consumer price index (CPI), which excludes volatile fresh food but includes fuel costs, rose 2.1% in December from a year earlier, government data showed, matching a median market forecast. It followed a 2.3% rise in November. The so-called "core core" index that strips away both fresh food and fuel prices – closely watched by the BOJ as a gauge of broader price trends – rose 3.5% in December after a 3.6% gain in November, the data showed. With inflation having exceeded the BOJ's 2% inflation target for more than a year, many market players expect the bank to start phasing out its massive stimulus some time this year. BOJ Governor Kazuo Ueda has stressed the need to keep policy ultra-loose until recent cost-push inflation is replaced by a demand-driven increase in prices backed by solid wage gains.

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