

KEDIA ADVISORY

# DAILY CURRENCY OUTLOOK

27 Dec 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	83.1650	83.2200	83.1025	83.1875	0.03
USDINR	29-Jan-24	83.2500	83.3000	83.1875	83.2675	0.02
EURINR	27-Dec-23	91.6475	91.7175	91.5625	91.6050	-0.02
EURINR	29-Jan-24	91.8175	91.8600	91.6925	91.7075	-0.08
GBPINR	27-Dec-23	105.7150	105.7475	105.5000	105.5500	-0.27
GBPINR	29-Jan-24	105.8000	105.8425	105.6100	105.6500	-0.28
JPYINR	27-Dec-23	58.5000	58.5225	58.3600	58.4225	-0.19
JPYINR	29-Jan-24	58.8725	58.9300	58.7575	58.8200	-0.13

## Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	27-Dec-23	0.03	-31.19	Short Covering
USDINR	29-Jan-24	0.02	66.66	Fresh Buying
EURINR	27-Dec-23	-0.02	-30.66	Long Liquidation
EURINR	29-Jan-24	-0.08	24.70	Fresh Selling
GBPINR	27-Dec-23	-0.27	-21.10	Long Liquidation
GBPINR	29-Jan-24	-0.28	13.30	Fresh Selling
JPYINR	27-Dec-23	-0.19	-24.77	Long Liquidation
JPYINR	29-Jan-24	-0.13	17.39	Fresh Selling

## Global Indices

Index	Last	%Chg
Nifty	21441.35	0.43
Dow Jones	37545.33	0.43
NASDAQ	15074.57	0.54
CAC	7568.82	-0.03
FTSE 100	7697.51	0.04
Nikkei	33701.08	1.19

## International Currencies

Currency	Last	% Change
EURUSD	1.1035	-0.06
GBPUSD	1.2725	-0.01
USDJPY	142.53	0.05
USDCAD	1.3196	-0.01
USDAUD	1.4644	-0.08
USDCHF	85.37	-0.01

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## Technical Snapshot



**SELL USDINR DEC @ 83.3 SL 83.45 TGT 83.15-83.05.**

### Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	83.1875	83.29	83.24	83.17	83.12	83.05
29-Jan-24	83.2675	83.36	83.31	83.25	83.20	83.14

### Observations

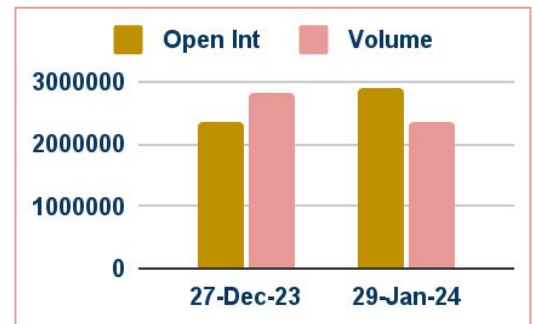
USDINR trading range for the day is 83.05-83.29.

Rupee weakened as dollar demand from importers, including local oil companies, eroded the impact of positive global cues.

Fiscal deficit at 6% to exceed government target in FY24: Ind-Ra

India's resilient economy seen expanding 6.7% in FY24

### OI & Volume



### Spread

Currency	Spread
USDINR JAN-DEC	0.0800

Technical Snapshot



**SELL EURINR DEC @ 91.8 SL 92 TGT 91.6-91.45.**

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	91.6050	91.79	91.70	91.63	91.54	91.47
29-Jan-24	91.7075	91.92	91.81	91.75	91.64	91.58

Observations

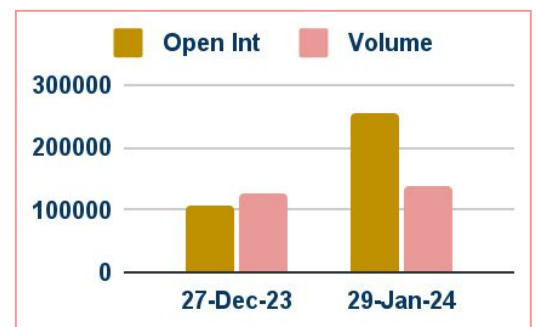
EURINR trading range for the day is 91.47-91.79.

Euro remained in range after fresh PCE inflation for the US reinforced bets the Fed will start cutting interest rates next year

Traders also anticipate the ECB to decrease borrowing costs next year, possibly aligning with the Fed's pace

Euro zone consumer confidence rose by 1.8 points in December from the November number

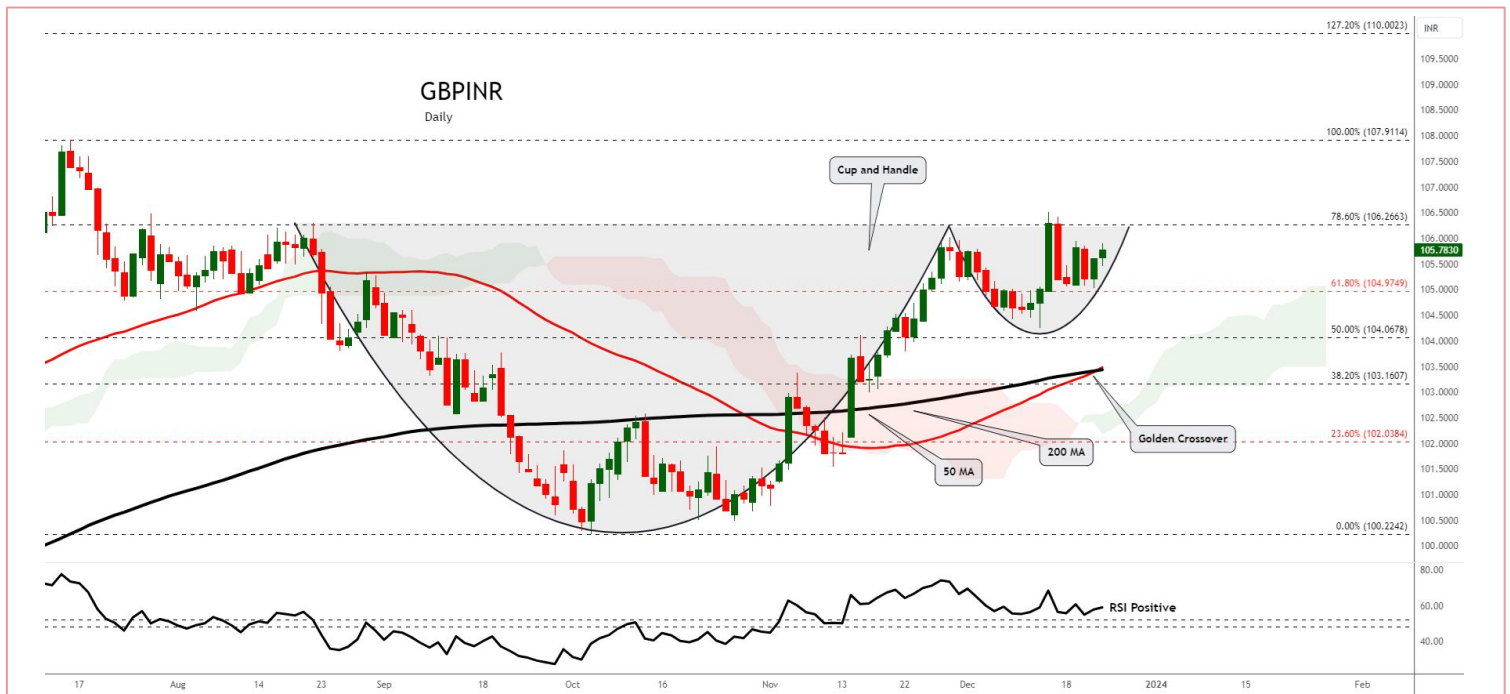
OI & Volume



Spread

Currency	Spread
EURINR JAN-DEC	0.1025

## Technical Snapshot



**SELL GBPINR DEC @ 105.9 SL 106.2 TGT 105.6-105.4.**

### Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	105.5500	105.85	105.70	105.60	105.45	105.35
29-Jan-24	105.6500	105.93	105.79	105.70	105.56	105.47

### Observations

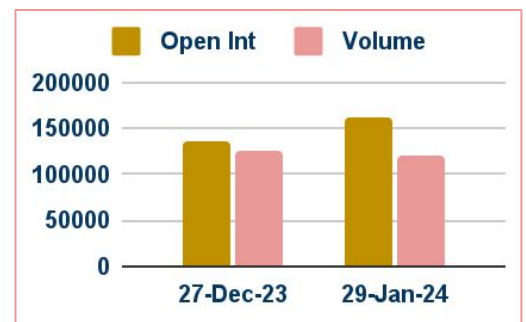
GBPINR trading range for the day is 105.35-105.85.

GBP dropped as Q3 data showed a contraction in the British economy

The CPI report showcased a slowdown in UK inflation to 3.8%, below the projected 4.4%

The core inflation rate dropped to 5.1%, lower than the expected 5.6%.

### OI & Volume



### Spread

Currency	Spread
GBPINR JAN-DEC	0.1000

### Technical Snapshot



**SELL JPYINR DEC @ 58.5 SL 58.7 TGT 58.3-58.1.**

### Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	58.4225	58.60	58.52	58.44	58.36	58.28
29-Jan-24	58.8200	59.01	58.92	58.84	58.75	58.67

### Observations

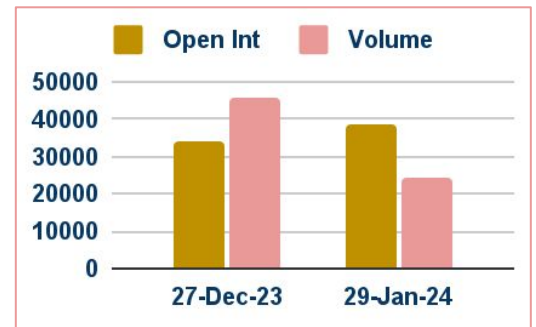
JPYINR trading range for the day is 58.28-58.6.

JPY dropped despite Bank of Japan Governor Kazuo Ueda's latest remarks alluding to progress on inflation.

Ueda said the likelihood of Japan's economy getting out of the low-inflation environment

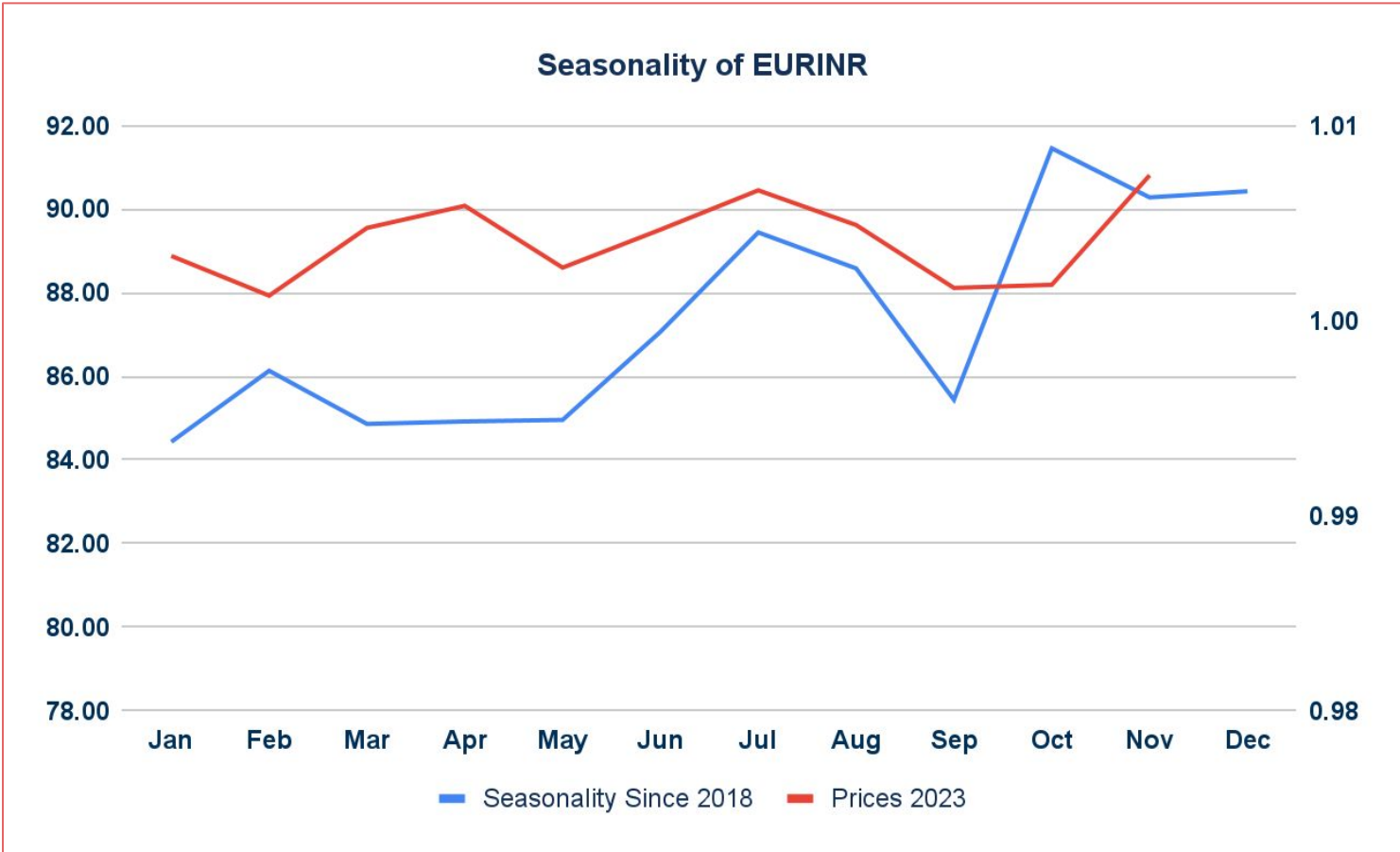
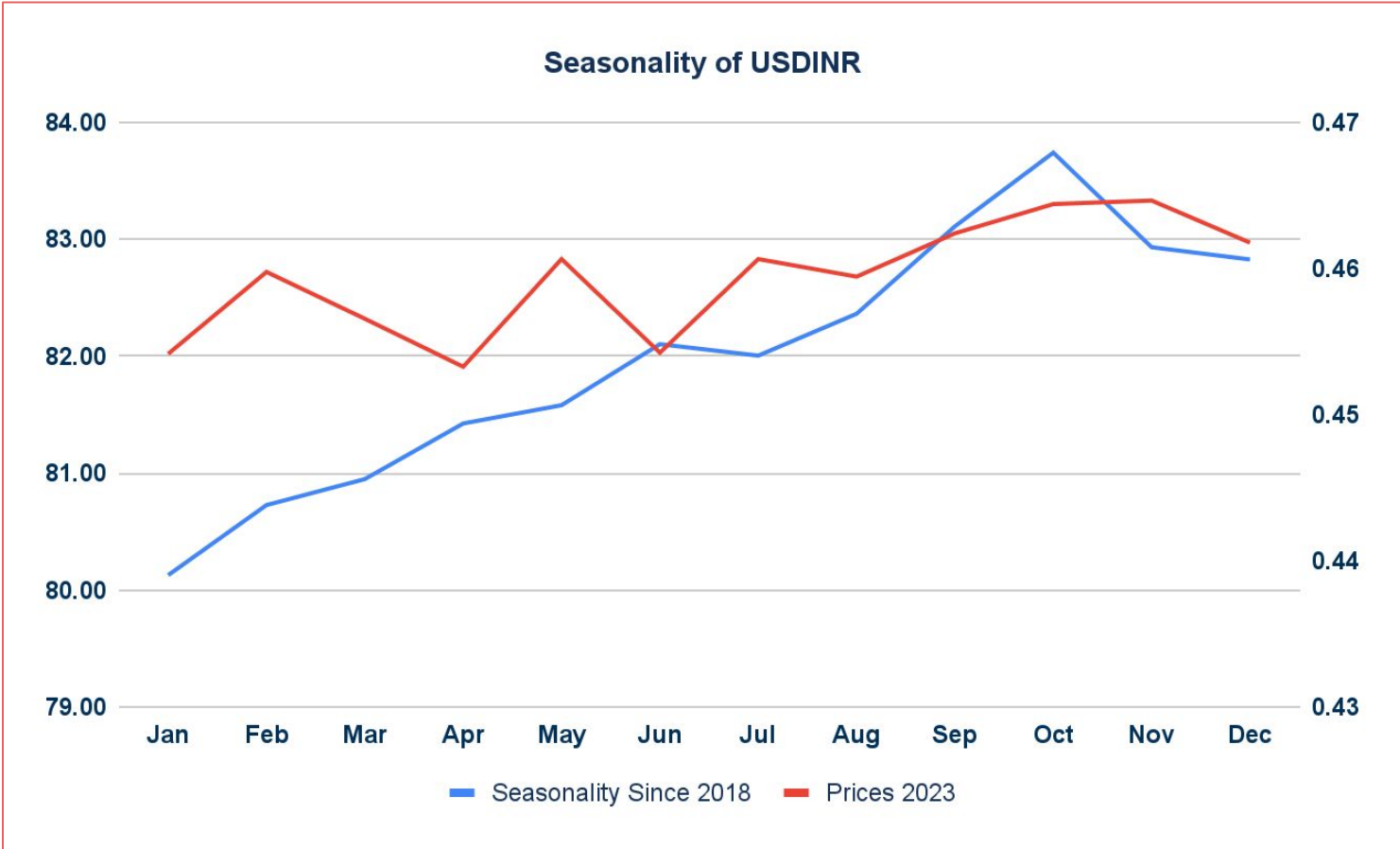
Japan's unemployment rate stood at 2.5% in November 2023, unchanged from the previous month

### OI & Volume



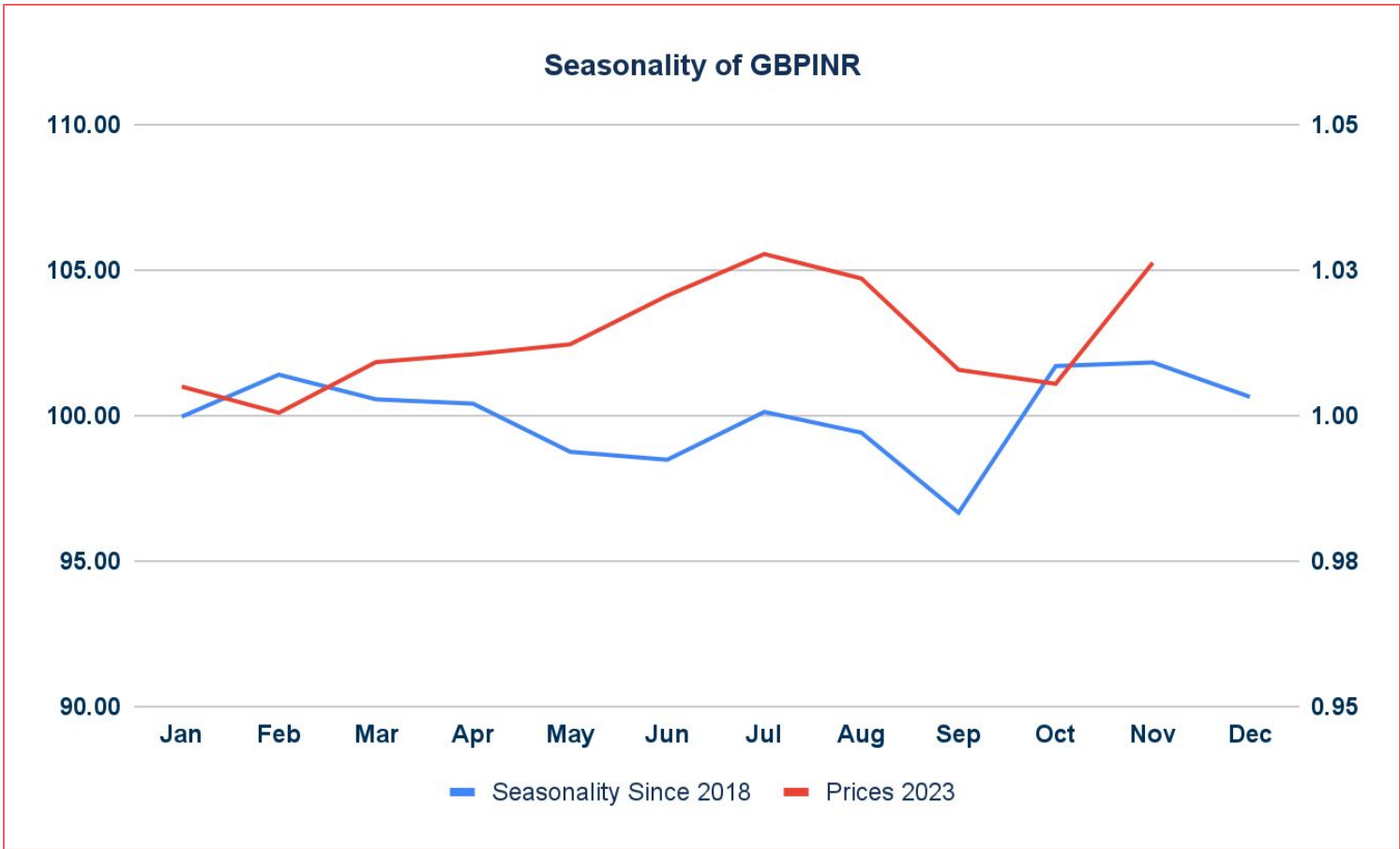
### Spread

Currency	Spread
JPYINR JAN-DEC	0.3975



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## Economic Data

Date	Curr.	Data	Date	Curr.	Data
Dec 25	EUR	Bank Holiday	Dec 27	JPY	Housing Starts y/y
Dec 18	GBP	Bank Holiday	Dec 27	CHF	Credit Suisse Economic Expectations
Dec 19	USD	Bank Holiday	Dec 27	USD	Richmond Manufacturing Index
Dec 26	AUD	Bank Holiday	Dec 28	JPY	Prelim Industrial Production m/m
Dec 26	JPY	Unemployment Rate	Dec 28	JPY	Retail Sales y/y
Dec 26	JPY	SPPI y/y	Dec 28	USD	Unemployment Claims
Dec 26	JPY	BOJ Core CPI y/y	Dec 28	USD	Goods Trade Balance
Dec 26	CHF	Bank Holiday	Dec 28	USD	Prelim Wholesale Inventories m/m
Dec 26	EUR	German Bank Holiday	Dec 28	USD	Pending Home Sales m/m
Dec 26	EUR	Italian Bank Holiday	Dec 28	USD	Natural Gas Storage
Dec 26	GBP	Bank Holiday	Dec 28	USD	Crude Oil Inventories
Dec 26	CAD	Bank Holiday	Dec 29	GBP	Nationwide HPI m/m
Dec 26	USD	HPI m/m	Dec 29	CHF	KOF Economic Barometer
Dec 26	USD	S&P/CS Composite-20 HPI y/y	Dec 29	EUR	Spanish Flash CPI y/y
Dec 27	JPY	BOJ Summary of Opinions	Dec 29	USD	Chicago PMI

## News

The U.S. current account deficit was the smallest in more than two years in the third quarter amid rising petroleum exports, government data showed. The Commerce Department's Bureau of Economic Analysis said that the current account deficit, which measures the flow of goods, services and investments into and out of the country, contracted \$16.5 billion, or 7.6%, to \$200.3 billion last quarter. That was the smallest since the second quarter of 2021. The current account gap represented 2.9% of gross domestic product, the smallest share since the first quarter of 2021, and down from 3.2% in the second quarter. The deficit peaked at 6.3% of GDP in the fourth quarter of 2005. The United States is now a net exporter of crude oil and fuel. Though the deficit remains large, it has no impact on the dollar given its status as the reserve currency. Exports of goods increased \$19.1 billion to \$516.4 billion, driven by petroleum and related products. Exports of services rose \$2.7 billion to \$252.2 billion as an increase in personal travel partially offset a decline in technical, trade-related, and other business services.

The budget picture for British Prime Minister Rishi Sunak has deteriorated, official data showed, but a smaller debt interest bill thanks to slowing inflation could yet restore some of his limited room for pre-election tax cuts. Public sector net borrowing, excluding state-owned banks, totalled 116.4 billion pounds (\$147 billion) in the financial year so far, 24.4 billion pounds higher than in the April-November period a year earlier, the Office for National Statistics said. In November alone, the deficit of 14.3 billion pounds was bigger than expected - a poll of economists had pointed to a shortfall of 12.9 billion pounds. Britain's statistics office revised up borrowing for each of the previous seven months by 3.7 billion pounds in total. British borrowing has surged in recent years, first as the government supported the economy during the COVID pandemic and then as it provided massive aid to households and businesses to offset the surge in energy prices in 2022. Thursday's figures served as a reminder of the fragility of the so-called fiscal headroom which Sunak hopes will allow for more tax cuts ahead of elections expected next year.

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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](mailto:info@kediaadvisory.com)****Regd.Off.: 1, 2, 3 & 4, 1st Floor, Tulip Bldg, Flower Valley Complex, Khadakpada Circle,  
Kalyan-(W), Mumbai-421301**