

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

21 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	83.2000	83.2200	83.1475	83.2100	0.00
USDINR	29-Jan-24	83.2900	83.2925	83.2325	83.2825	-0.01
EURINR	27-Dec-23	91.2275	91.2525	91.0000	91.0625	0.07
EURINR	29-Jan-24	91.4125	91.4325	91.2025	91.2450	0.08
GBPINR	27-Dec-23	105.7025	105.7975	105.1850	105.2825	-0.34
GBPINR	29-Jan-24	105.5500	105.9800	105.3025	105.3950	-0.33
JPYINR	27-Dec-23	57.9700	58.1425	57.8725	58.1200	0.93
JPYINR	29-Jan-24	58.4700	58.5100	58.2700	58.4875	0.88

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	27-Dec-23	0.00	-5.61	Short Covering
USDINR	29-Jan-24	-0.01	18.56	Fresh Selling
EURINR	27-Dec-23	0.07	-1.73	Short Covering
EURINR	29-Jan-24	0.08	19.24	Fresh Buying
GBPINR	27-Dec-23	-0.34	-9.05	Long Liquidation
GBPINR	29-Jan-24	-0.33	-3.47	Long Liquidation
JPYINR	27-Dec-23	0.93	-17.57	Short Covering
JPYINR	29-Jan-24	0.88	-6.37	Short Covering

Global Indices

Index	Last	%Chg
Nifty	21150.15	-1.41
Dow Jones	37082.00	-1.27
NASDAQ	14777.94	-1.50
CAC	7583.43	0.12
FTSE 100	7715.68	1.02
Nikkei	33130.26	-1.62

International Currencies

Currency	Last	% Change
EURUSD	1.0947	0.02
GBPUSD	1.2638	-0.02
USDJPY	142.96	-0.40
USDCAD	1.3356	-0.02
USDAUD	1.4822	-0.11
USDCHF	86.21	-0.07

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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	83.2100	83.26	83.23	83.19	83.16	83.12
29-Jan-24	83.2825	83.33	83.31	83.27	83.25	83.21

Observations

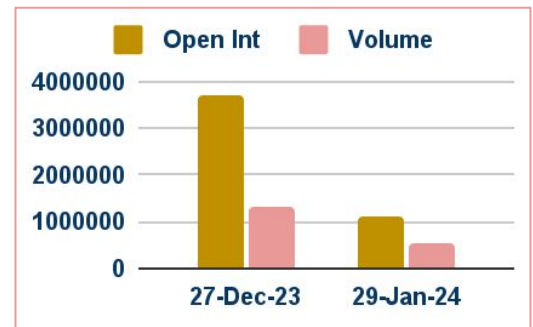
USDINR trading range for the day is 83.12-83.26.

Rupee ended little changed as a slight recovery in the greenback offset the positive momentum from dollar sales by exporters.

The Reserve Bank of India (RBI) pushed back against the IMF, saying the intervention in the currency market was excessive.

RBI Governor Shaktikanta Das said in October that currency market interventions should not be seen as black-and-white.

OI & Volume



Spread

Currency	Spread
USDINR JAN-DEC	0.0725

Technical Snapshot



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

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	91.0625	91.36	91.22	91.11	90.97	90.86
29-Jan-24	91.2450	91.52	91.38	91.29	91.15	91.06

Observations

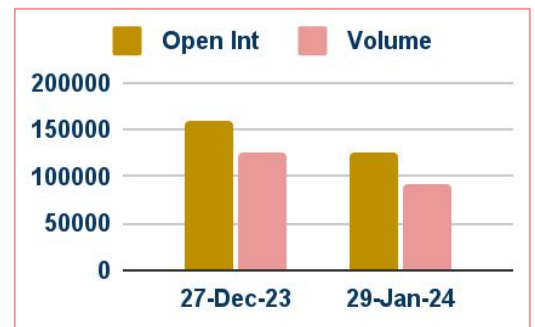
EURINR trading range for the day is 90.86-91.36.

Euro advances favored by a positive market mood and a weak US Dollar.

The US Dollar remains near recent lows despite the hawkish rhetoric by Fed officials.

Eurozone CPI confirms the deflationary trend and casts doubt about ECB’s "higher for longer" view.

OI & Volume



Spread

Currency	Spread
EURINR JAN-DEC	0.1825

Technical Snapshot



SELL GBPINR DEC @ 105.4 SL 105.7 TGT 105.05-104.85.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	105.2825	106.04	105.66	105.42	105.04	104.80
29-Jan-24	105.3950	106.24	105.82	105.56	105.14	104.88

Observations

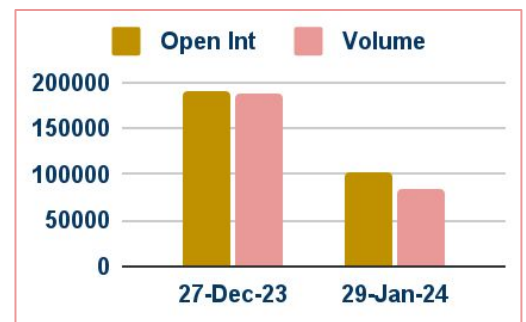
GBPINR trading range for the day is 104.8-106.04.

GBP drops sharply as UK inflation softened sharply in November.

UK's monthly headline inflation surprisingly contracted by 0.2%.

Investors may raise bets in favour of early rate cuts by the BoE.

OI & Volume



Spread

Currency	Spread
GBPINR JAN-DEC	0.1125

Technical Snapshot



BUY JPYINR DEC @ 58 SL 57.8 TGT 58.2-58.4.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	58.1200	58.32	58.23	58.05	57.96	57.78
29-Jan-24	58.4875	58.66	58.57	58.42	58.33	58.18

Observations

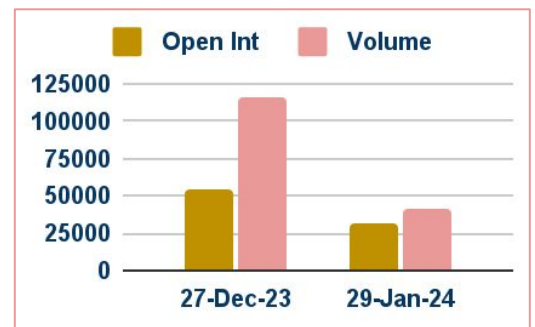
JPYINR trading range for the day is 57.78-58.32.

JPY gains as dollar slipped as traders continued to sell the currency on bets that the U.S. Federal Reserve will soon begin cutting interest rates.

BOJ left its ultra-loose monetary policy unchanged and refrained from making any comments about a possible tweak next year.

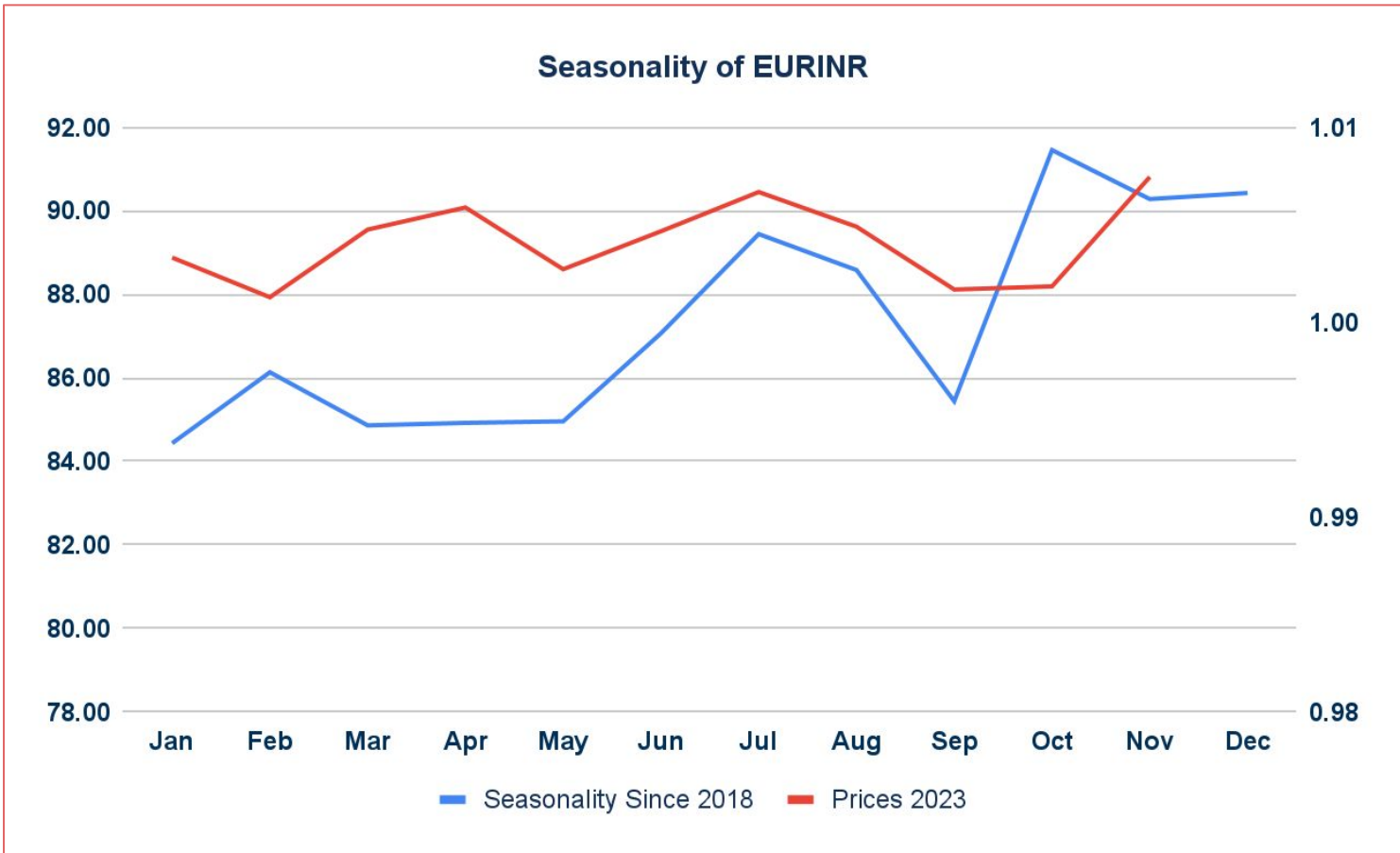
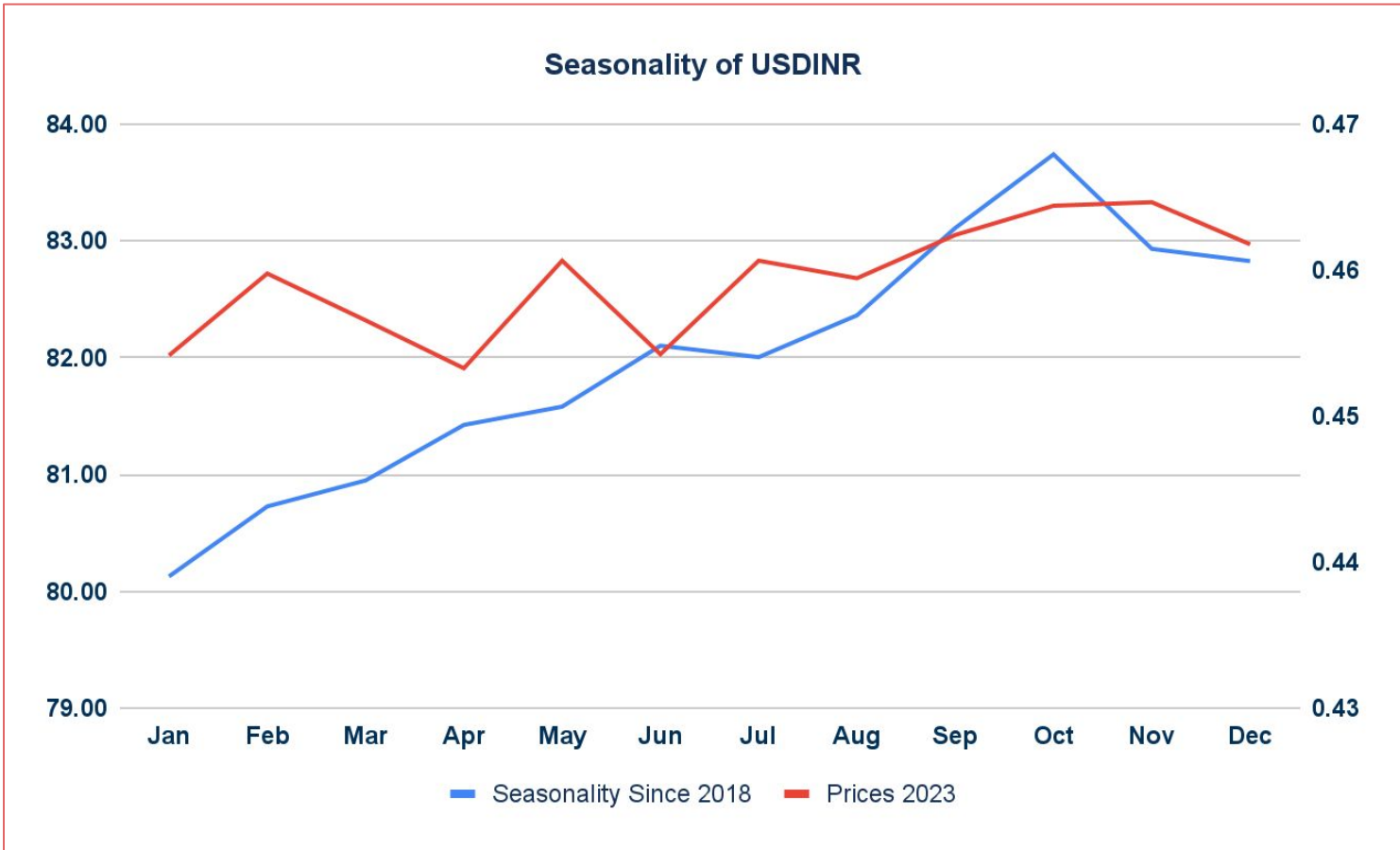
Japan's trade deficit decreased sharply to JPY 776.94 billion in November 2023 from JPY 2,057,64 billion in the same month of the prior year

OI & Volume

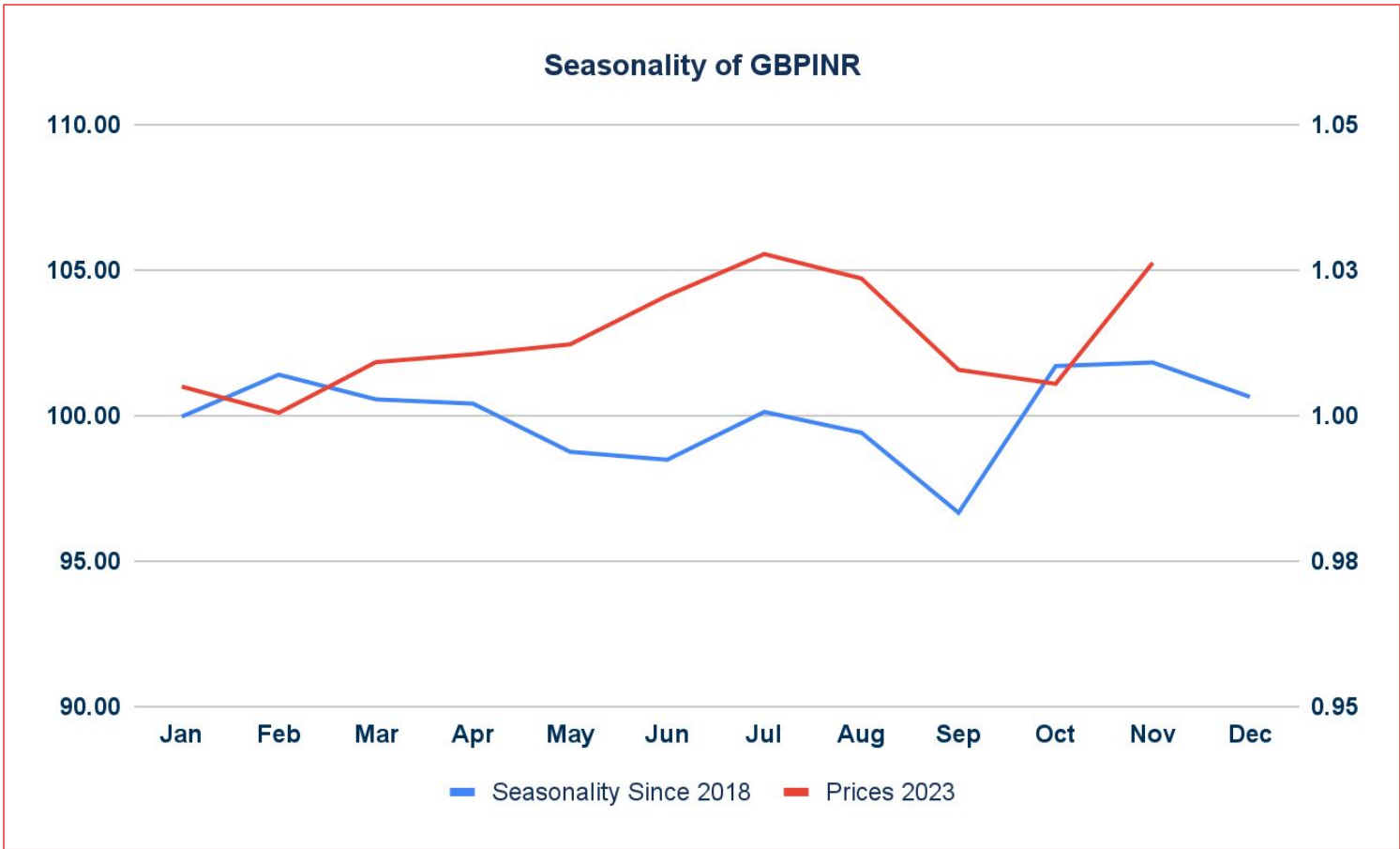


Spread

Currency	Spread
JPYINR JAN-DEC	0.3675



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Economic Data

Date	Curr.	Data
Dec 18	EUR	German ifo Business Climate
Dec 18	USD	NAHB Housing Market Index
Dec 19	EUR	Final Core CPI y/y
Dec 19	EUR	Final CPI y/y
Dec 19	USD	Building Permits
Dec 19	USD	Housing Starts
Dec 20	EUR	German GfK Consumer Climate
Dec 20	EUR	German PPI m/m
Dec 20	EUR	Current Account
Dec 20	USD	Current Account
Dec 20	EUR	Consumer Confidence
Dec 20	USD	CB Consumer Confidence
Dec 20	USD	Existing Home Sales
Dec 20	USD	Crude Oil Inventories
Dec 21	USD	Final GDP q/q

Date	Curr.	Data
Dec 21	USD	Unemployment Claims
Dec 21	USD	Final GDP Price Index q/q
Dec 21	USD	Philly Fed Manufacturing Index
Dec 21	USD	CB Leading Index m/m
Dec 21	USD	Natural Gas Storage
Dec 22	EUR	German Import Prices m/m
Dec 22	USD	Core PCE Price Index m/m
Dec 22	USD	Core Durable Goods Orders m/m
Dec 22	USD	Durable Goods Orders m/m
Dec 22	USD	Personal Income m/m
Dec 22	USD	Personal Spending m/m
Dec 22	EUR	Belgian NBB Business Climate
Dec 22	USD	Revised UoM Consumer Sentiment
Dec 22	USD	New Home Sales
Dec 22	USD	Revised UoM Inflation Expectations

News

China stood pat on benchmark lending rates at the monthly fixing, matching market expectations, after the central bank kept its medium-term policy rate steady earlier last week. But market watchers continued to expect Beijing to deliver further monetary easing into the new year to support a sputtering economic recovery as deflationary pressure push up real borrowing costs. The one-year loan prime rate (LPR) was kept at 3.45%, while the five-year LPR was unchanged at 4.20%. Most new and outstanding loans in the world's second-largest economy are based on the one-year LPR, which stands at 3.45%. It was lowered twice by a total of 20 basis points in 2023. The five-year rate influences the pricing of mortgages and is 4.20% now. It was lowered by 10 basis points so far this year. The steady fixings came after the central bank kept its medium-term policy rate unchanged, and the one-year LPR is loosely pegged to the medium-term lending facility (MLF) rate. Market participants typically see changes in the MLF as a precursor to changes in the LPR. The People's Bank of China (PBOC) ramped up liquidity injections through medium-term policy loans last week, while keeping the interest rate unchanged.

The HCOB Eurozone Manufacturing PMI was unchanged at 44.2 in December 2023, the same as in November, and below forecasts of 44.6, preliminary estimates showed. The reading continued to subdued conditions in the manufacturing sector. Output fell for a ninth month with the rate of decline re-accelerating after the moderation seen in November and backlogs of work fell sharply. Also, payrolls were cut for a seventh month in a row, and the rate of job losses continued to run at one of the highest seen since 2012 if pandemic months are excluded. The HCOB Eurozone Services PMI fell to 48.1 in December of 2023 from 48.7 in the previous month, pointing to the fifth consecutive contraction in the currency bloc's services activity, and underscoring the impact that the ECB's tightening campaign has had on European businesses. New orders for service providers fell for a sixth consecutive period at around the fastest pace in three years. Consequently, output fell for the fifth month at a steady pace from October's decline, as a fresh decline in backlogs of work failed to offset the lower demand for new business.

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