

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

14 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	83.4125	83.4650	83.4025	83.4575	0.06
USDINR	29-Jan-24	83.4950	83.5500	83.4525	83.5450	0.07
EURINR	27-Dec-23	90.0725	90.1100	89.9775	90.0100	-0.14
EURINR	29-Jan-24	90.2100	90.2825	90.1025	90.1750	-0.15
GBPINR	27-Dec-23	104.7450	104.7775	104.4075	104.4650	-0.37
GBPINR	29-Jan-24	104.8850	104.8850	104.5125	104.5650	-0.37
JPYINR	27-Dec-23	57.4700	57.5000	57.2900	57.4450	-0.22
JPYINR	29-Jan-24	57.9400	57.9400	57.6125	57.8025	-0.20

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	27-Dec-23	0.06	6.18	Fresh Buying
USDINR	29-Jan-24	0.07	5.79	Fresh Buying
EURINR	27-Dec-23	-0.14	2.49	Fresh Selling
EURINR	29-Jan-24	-0.15	2.13	Fresh Selling
GBPINR	27-Dec-23	-0.37	-4.10	Long Liquidation
GBPINR	29-Jan-24	-0.37	-4.70	Long Liquidation
JPYINR	27-Dec-23	-0.22	3.61	Fresh Selling
JPYINR	29-Jan-24	-0.20	6.32	Fresh Selling

Global Indices

Index	Last	%Chg
Nifty	20926.35	0.10
Dow Jones	37090.24	1.40
NASDAQ	14733.96	1.38
CAC	7531.22	-0.16
FTSE 100	7548.44	0.08
Nikkei	32795.20	-0.40

International Currencies

Currency	Last	% Change
EURUSD	1.09	0.16
GBPUSD	1.2644	0.17
USDJPY	142.16	-0.41
USDCAD	1.3476	0.50
USDAUD	1.4897	-0.70
USDCHF	86.83	-0.30

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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	83.4575	83.50	83.48	83.44	83.42	83.38
29-Jan-24	83.5450	83.62	83.59	83.52	83.49	83.42

Observations

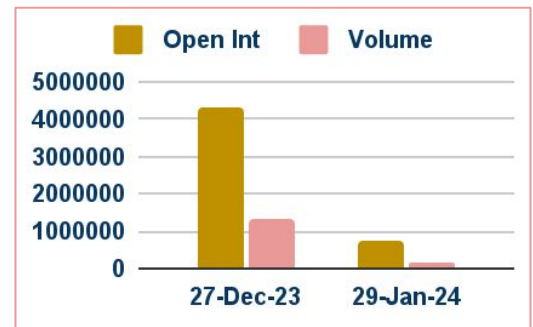
USDINR trading range for the day is 83.38-83.5.

Rupee remained in range after data showed the Indian Consumer Price Index (CPI) came in higher than the RBI target of 4.0%.

Fed kept the funds rate steady at a 22-year high of 5.25%-5.5%, but indicated three quarter percentage point cuts in 2024 in the "dot plot" projections.

Headline inflation remained within its tolerance range of 2-6% for the third consecutive month

OI & Volume



Spread

Currency	Spread
USDINR JAN-DEC	0.0875

Technical Snapshot



BUY EURINR DEC @ 90 SL 89.8 TGT 90.25-90.5.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	90.0100	90.16	90.08	90.03	89.95	89.90
29-Jan-24	90.1750	90.37	90.28	90.19	90.10	90.01

Observations

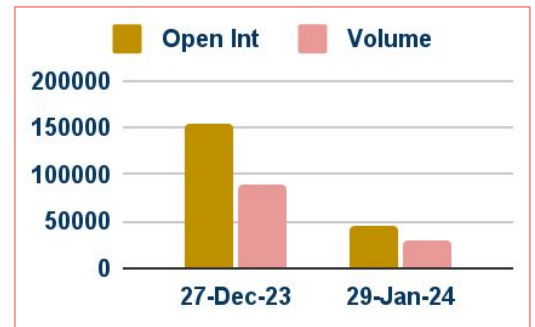
EURINR trading range for the day is 89.9-90.16.

Euro dropped as the market attention will then shift to the ECB monetary policy meeting on Thursday.

German wholesale prices fell by 3.6% in November compared to last year.

The ZEW Indicator of Economic Sentiment for Germany went up to 12.8 in December 2023

OI & Volume



Spread

Currency	Spread
EURINR JAN-DEC	0.1650

Technical Snapshot



BUY GBPINR DEC @ 104.5 SL 104.2 TGT 104.85-105.1.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	104.4650	104.92	104.69	104.55	104.32	104.18
29-Jan-24	104.5650	105.02	104.79	104.65	104.42	104.28

Observations

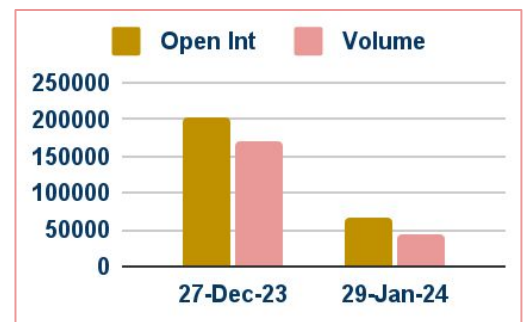
GBPINR trading range for the day is 104.18-104.92.

GBP dropped after an unexpected contraction in October's GDP

The British economy shrank 0.3% in October from September 2023, reversing the growth from the previous two months

UK jobs report revealed that British wage growth decelerated more than initially predicted over the three months leading up to October

OI & Volume



Spread

Currency	Spread
GBPINR JAN-DEC	0.1000

Technical Snapshot



BUY JPYINR DEC @ 57.5 SL 57.25 TGT 57.8-58.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	57.4450	57.62	57.53	57.41	57.32	57.20
29-Jan-24	57.8025	58.12	57.97	57.79	57.64	57.46

Observations

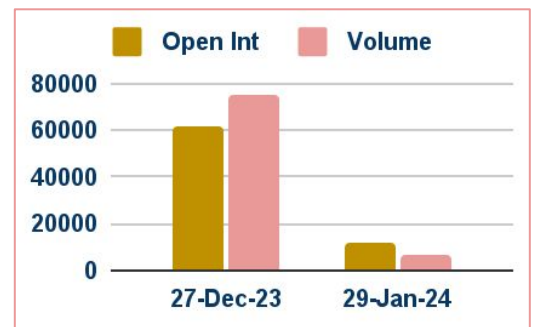
JPYINR trading range for the day is 57.2-57.62.

JPY dropped as investors scaled back bets of interest rate hikes from the Bank of Japan ahead of its monetary policy decision next week.

The Bank of Japan's index for big manufacturers' sentiment climbed to 12 in Q4 of 2023 from 9 in Q3

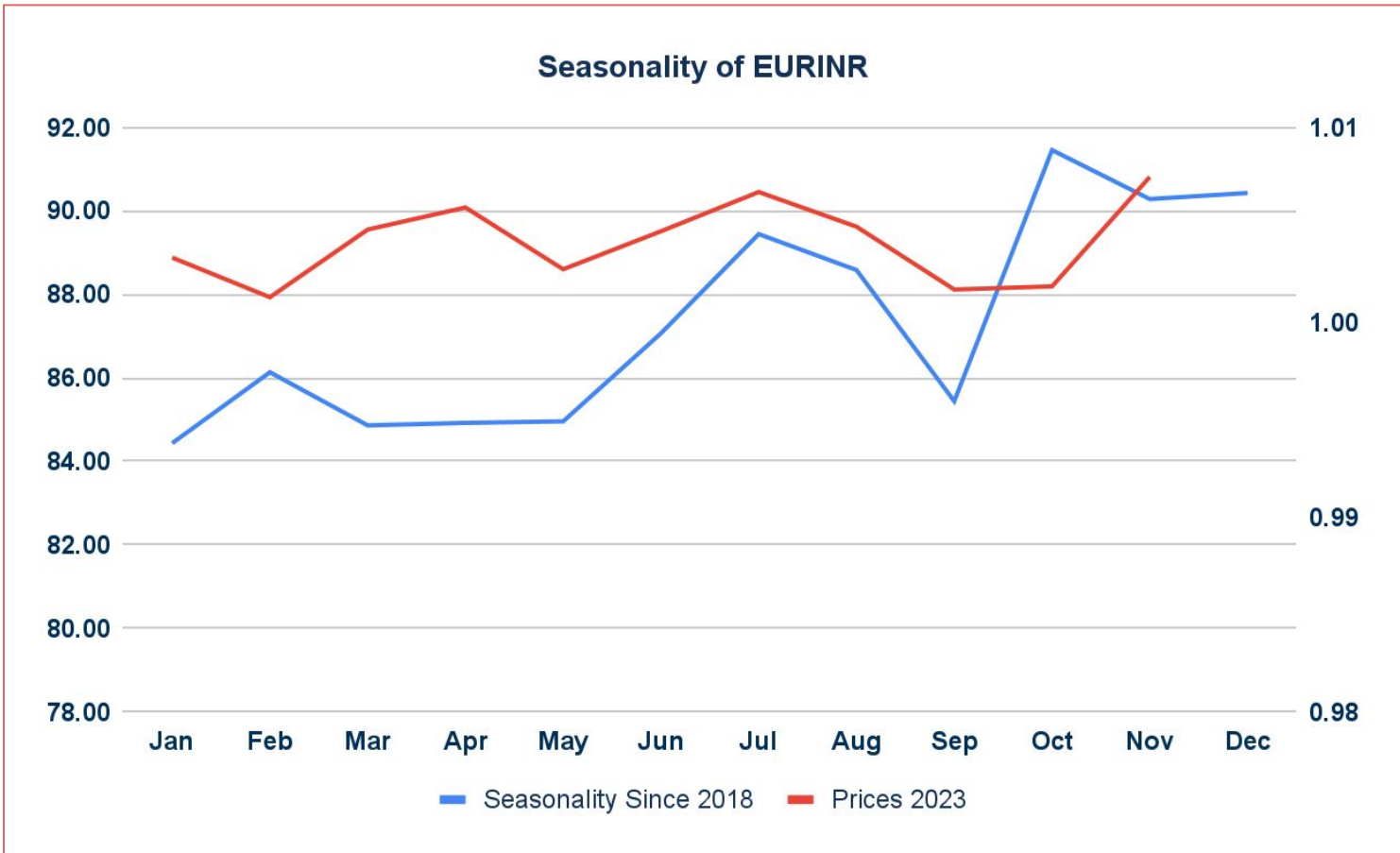
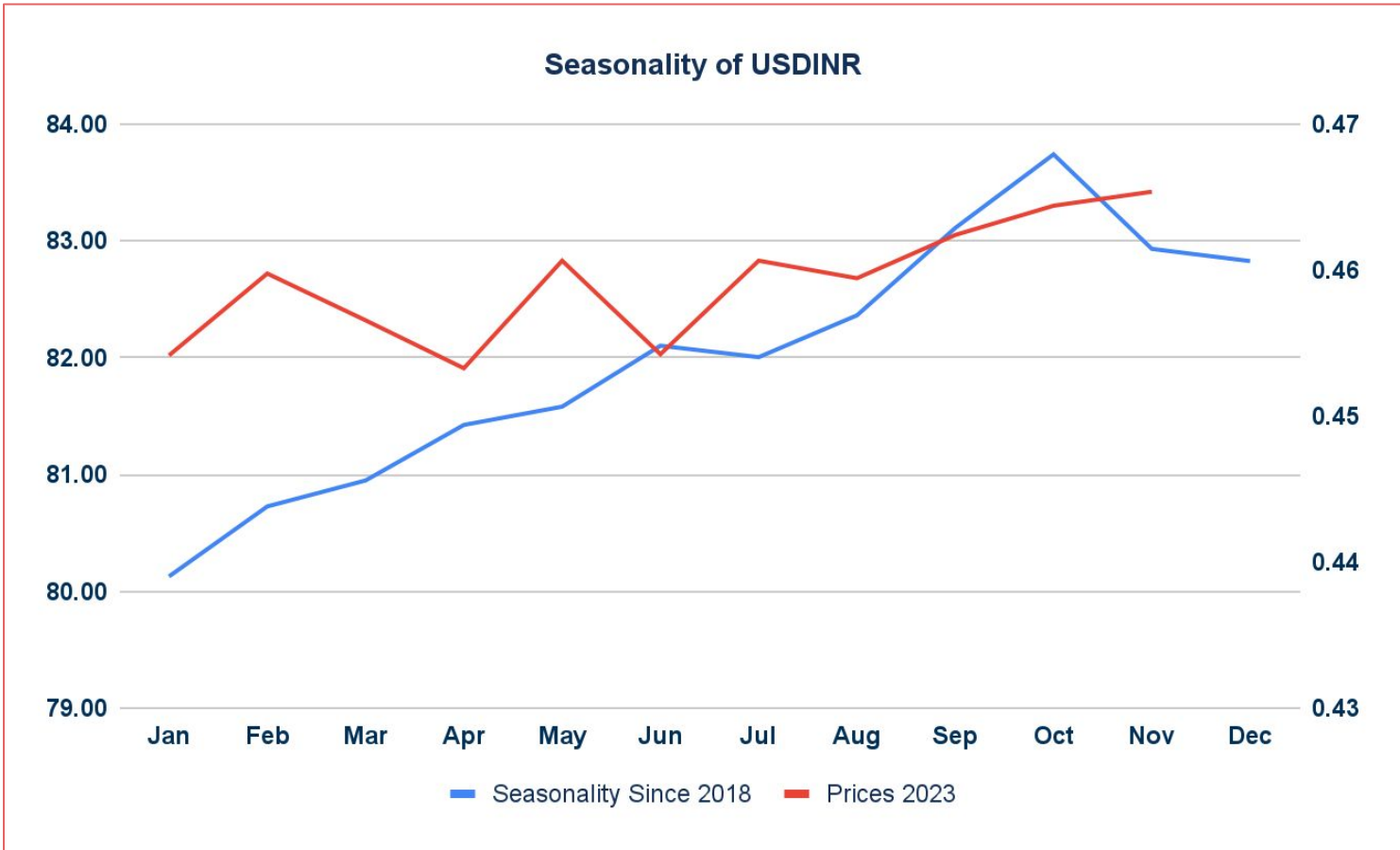
Japan's central bank chief faces a key test of his communication skills at next week's monetary policy meeting

OI & Volume



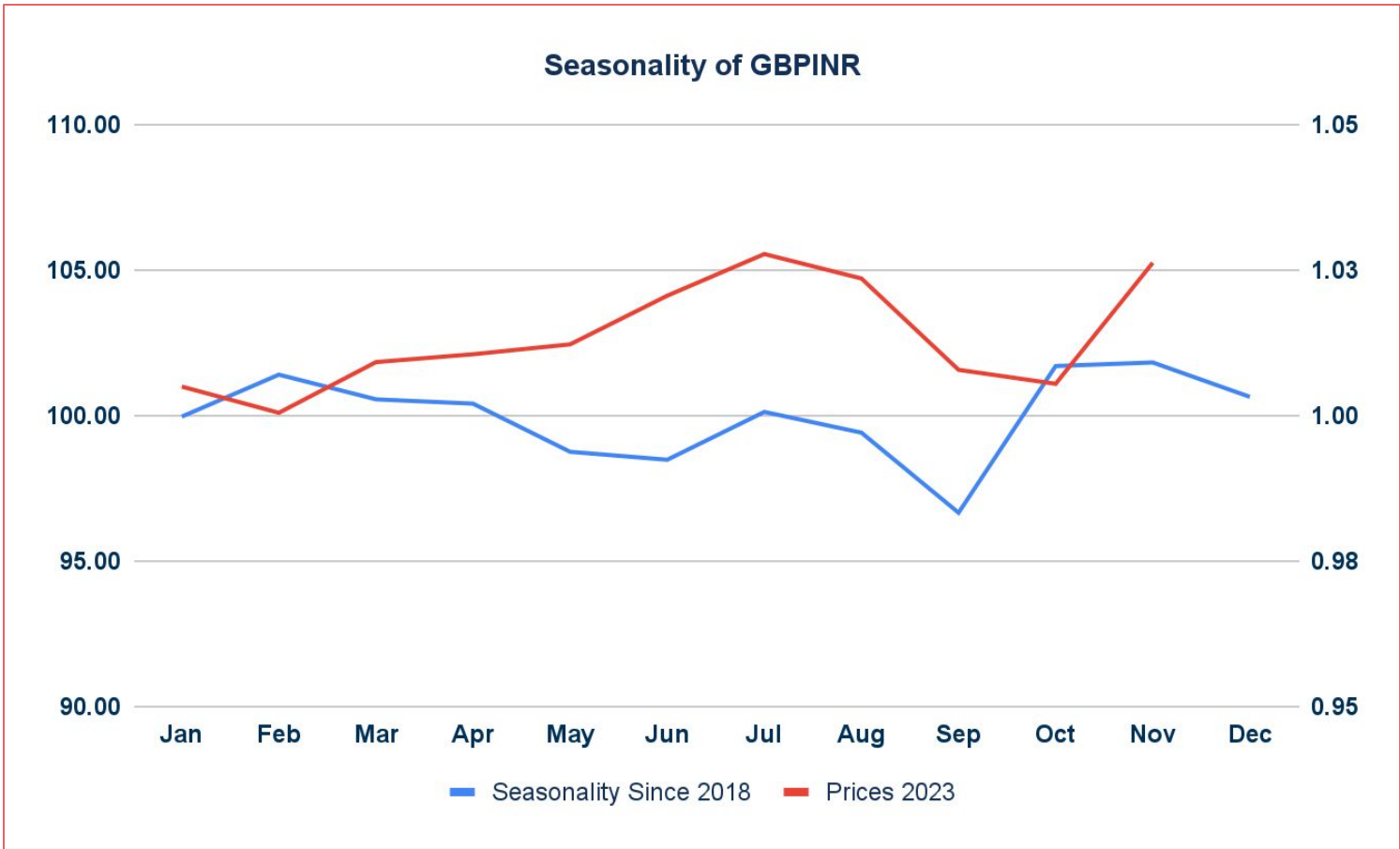
Spread

Currency	Spread
JPYINR JAN-DEC	0.3575



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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

Developing Asia will likely end the year on a brighter note, the Asian Development Bank said, with growth in the region expected to be stronger than previously thought due mainly to a recovery in China's economy. The ADB raised its 2023 growth forecast for developing Asia to 4.9% from 4.7% projected in September, but kept its growth outlook for the region at 4.8% next year. The ADB also revised upwards its growth projection for China to 5.2% from 4.9% previously, but maintained its growth forecast for the world's second-largest economy at 4.5% next year. China's economy grew at a faster-than-expected clip of 4.9% in the third quarter, while consumption and industrial activity in September also surprised on the upside, supported by a flurry of policy measures that bolstered a tentative recovery. The ADB said robust domestic demand, stronger remittances, recovering tourism were underpinning economic activity in the region, which consists of 46 economies in the Asia-Pacific and excludes Japan, Australia and New Zealand. Outlook for the sub-regions was mixed, with East Asia seen growing faster at 4.7% this year versus the ADB's 4.4% forecast in September, while Southeast Asia was projected to grow at 4.3%, slower than the previous forecast of 4.6%.

Japan's central bank chief faces a key test of his communication skills at next week's monetary policy meeting, where he is expected to keep alive prospects of an end to negative rates while hosing down excitement that such a move is imminent. Less than a year into the job, Bank of Japan Governor Kazuo Ueda has already wrong-footed markets twice in comments about the future of policy, most recently last week when bond yields and the yen surged on expectations of a near-term shift in rates. It has been more than 16 years since Japan's last interest rate hike and financial markets have developed a hypersensitivity to any hint of an end to ultra-loose monetary settings, making it difficult for the BOJ to signal changes without triggering destabilising bond yield spikes. However, as the economic case for an end to accommodative policy builds, the BOJ's priority now more than ever is to avoid surprising markets, three sources familiar with its thinking say. That means Ueda - unlike his predecessor who shocked markets with abrupt policy shifts - will try to drop some hints in advance.

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