

KEDIA ADVISORY

# DAILY CURRENCY OUTLOOK

29 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	29-Jan-24	83.3900	83.3950	83.2400	83.2700	-0.19
USDINR	27-Feb-24	83.4525	83.4700	83.3225	83.3500	-0.19
EURINR	29-Jan-24	92.6250	92.7225	92.4825	92.6375	0.44
EURINR	27-Feb-24	92.6500	92.8325	92.5950	92.7475	0.44
GBPINR	29-Jan-24	106.5650	106.7225	106.4325	106.4800	0.34
GBPINR	27-Feb-24	106.4000	106.8550	106.4000	106.5375	0.35
JPYINR	29-Jan-24	59.1525	59.4625	59.1525	59.4225	1.02
JPYINR	27-Feb-24	59.5900	59.8000	59.5300	59.7700	1.00

## Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	29-Jan-24	-0.19	-5.36	Long Liquidation
USDINR	27-Feb-24	-0.19	-2.75	Long Liquidation
EURINR	29-Jan-24	0.44	6.34	Fresh Buying
EURINR	27-Feb-24	0.44	15.19	Fresh Buying
GBPINR	29-Jan-24	0.34	5.76	Fresh Buying
GBPINR	27-Feb-24	0.35	11.37	Fresh Buying
JPYINR	29-Jan-24	1.02	-2.52	Short Covering
JPYINR	27-Feb-24	1.00	19.16	Fresh Buying

## Global Indices

Index	Last	%Chg
Nifty	21778.70	0.57
Dow Jones	37710.10	0.14
NASDAQ	15095.14	-0.03
CAC	7535.16	-0.48
FTSE 100	7722.74	-0.03
Nikkei	33494.55	-0.13

## International Currencies

Currency	Last	% Change
EURUSD	1.1074	0.05
GBPUSD	1.2737	0.03
USDJPY	141.41	-0.01
USDCAD	1.3226	-0.04
USDAUD	1.462	-0.20
USDCHF	84.25	-0.13

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## Technical Snapshot



**SELL USDINR JAN @ 83.35 SL 83.5 TGT 83.2-83.1.**

## Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	83.2700	83.45	83.36	83.30	83.21	83.15
27-Feb-24	83.3500	83.53	83.44	83.38	83.29	83.23

## Observations

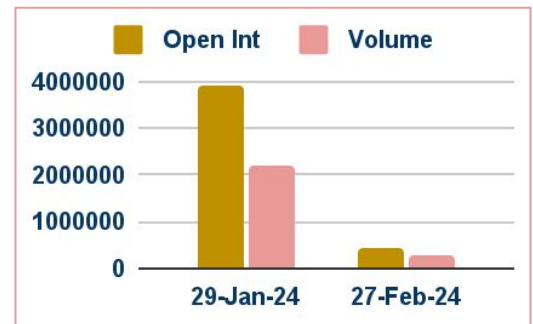
USDINR trading range for the day is 83.15-83.45.

Rupee strengthened on rising expectations of the U.S. Federal Reserve easing monetary policy cycle.

The Fed rate cut expectations have pushed rupee premiums higher with the 1-year implied forward USD/INR yield hovering near 1.80%.

Fitch Ratings projected India to be the world's fastest-growing country, with resilient GDP growth of 6.5% during fiscal 2024-25.

## OI & Volume



## Spread

Currency	Spread
USDINR FEB-JAN	0.0800

Technical Snapshot



**SELL EURINR JAN @ 92.6 SL 92.8 TGT 92.4-92.2.**

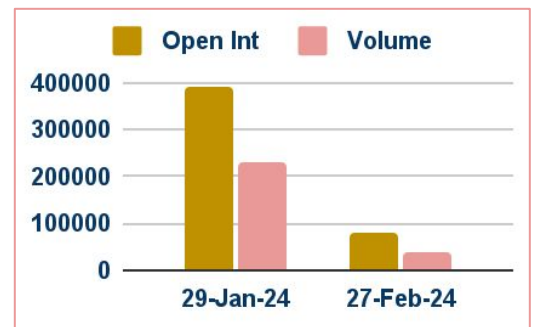
Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	92.6375	92.85	92.74	92.61	92.50	92.37
27-Feb-24	92.7475	92.97	92.87	92.73	92.63	92.49

Observations

EURINR trading range for the day is 92.37-92.85.  
 Euro gains boosted by a weaker US Dollar and US yields continue to trend lower  
 Italy economy minister: no rift with EU over euro zone bailout fund  
 The European Union as a whole, consumer sentiment rose by 1.5 points to -16.0.

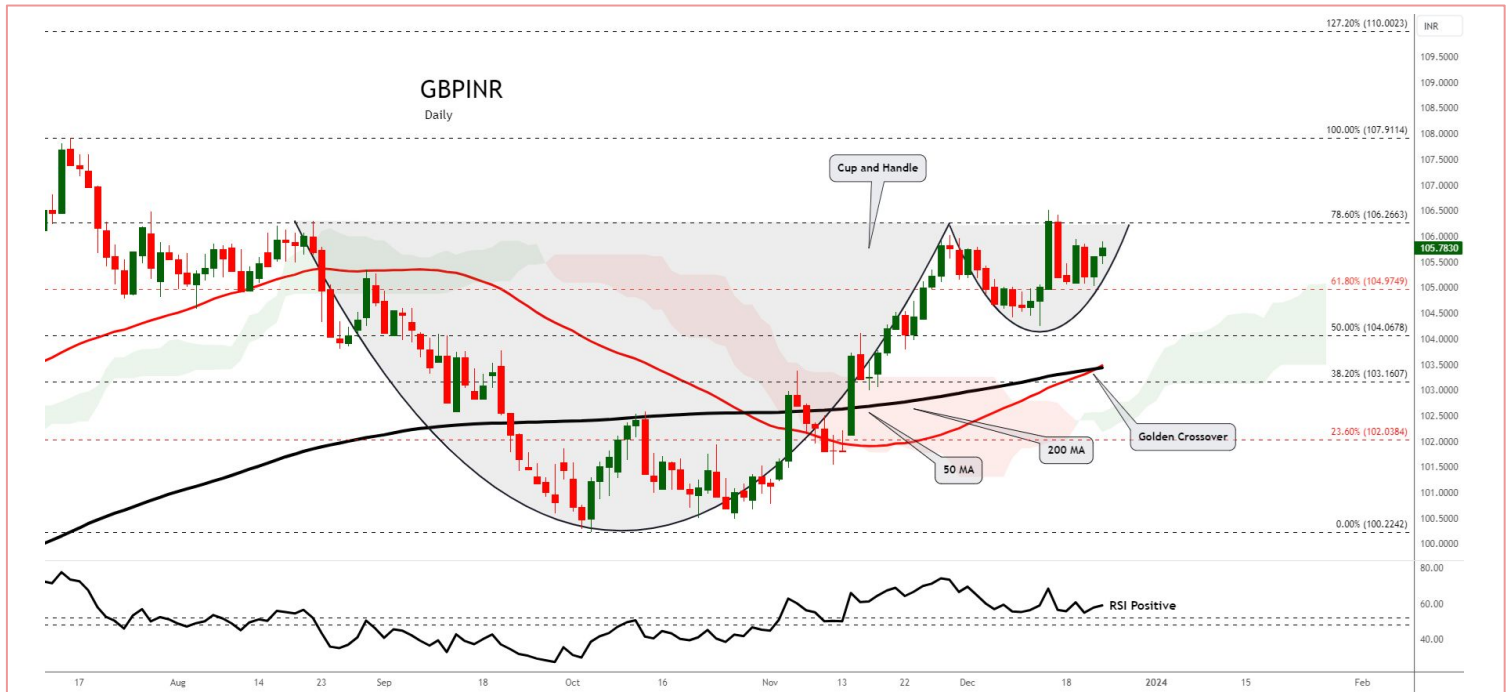
OI & Volume



Spread

Currency	Spread
EURINR FEB-JAN	0.1100

## Technical Snapshot



**SELL GBPINR JAN @ 106.5 SL 106.8 TGT 106.2-106.**

### Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	106.4800	106.84	106.67	106.55	106.38	106.26
27-Feb-24	106.5375	107.05	106.80	106.60	106.35	106.15

### Observations

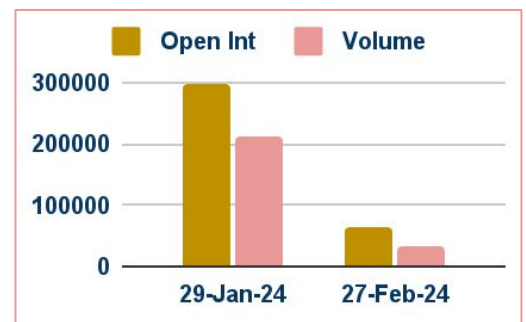
GBPINR trading range for the day is 106.26-106.84.

GBP advances as investors lean towards expectations of early rate cuts by the Federal Reserve.

High inflation and recession fears in the UK may complicate the idea of BoE remaining a laggard in cutting rates.

The economic calendar is light due to the festive season.

### OI & Volume



### Spread

Currency	Spread
GBPINR FEB-JAN	0.0575

### Technical Snapshot



**SELL JPYINR JAN @ 59.4 SL 59.65 TGT 59.15-58.95.**

### Trading Levels

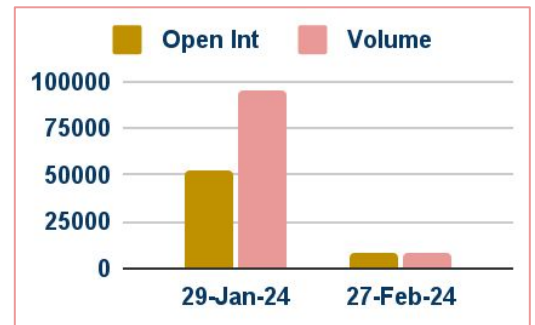
Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	59.4225	59.66	59.55	59.35	59.24	59.04
27-Feb-24	59.7700	59.97	59.87	59.70	59.60	59.43

### Observations

JPYINR trading range for the day is 59.04-59.66.

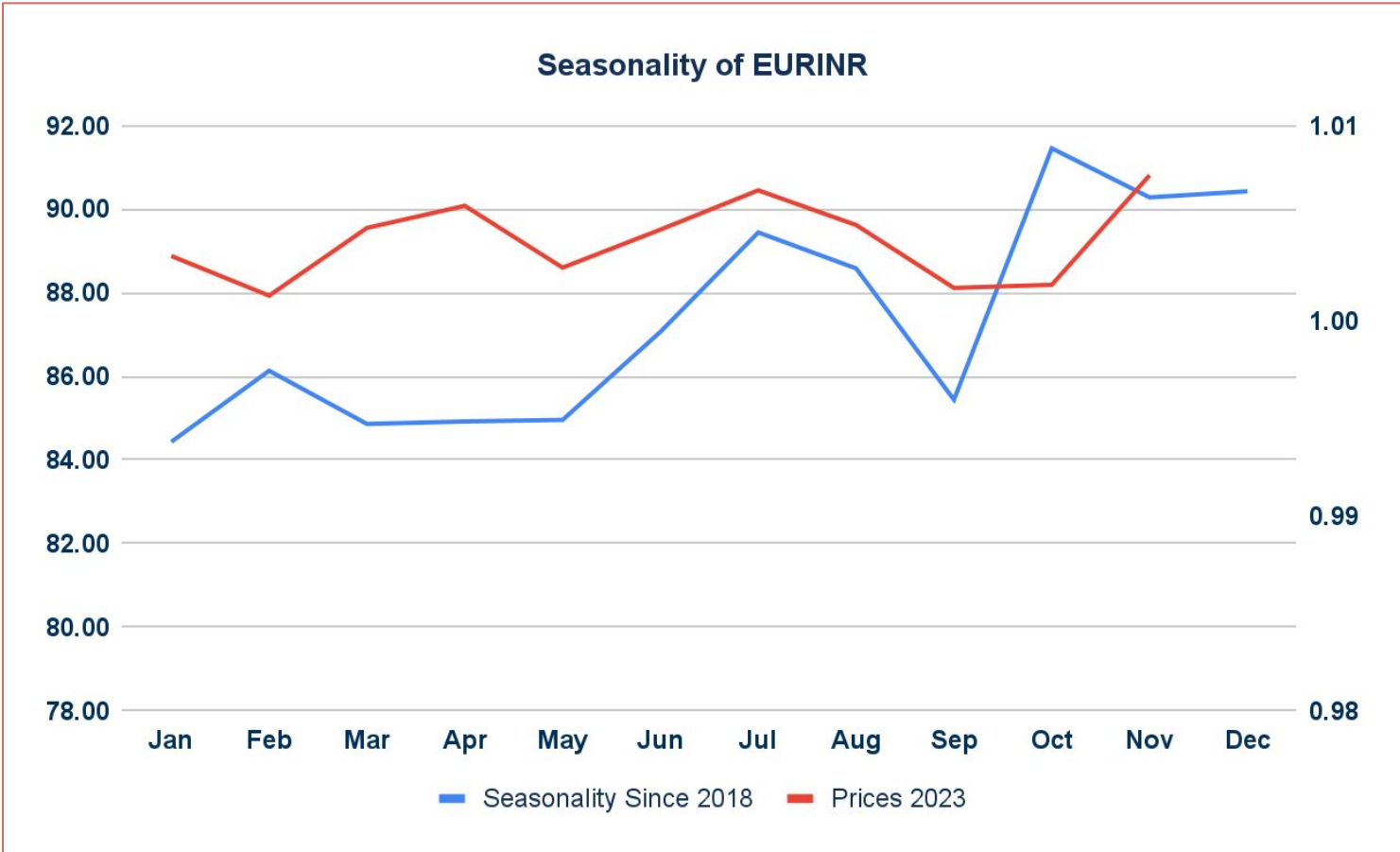
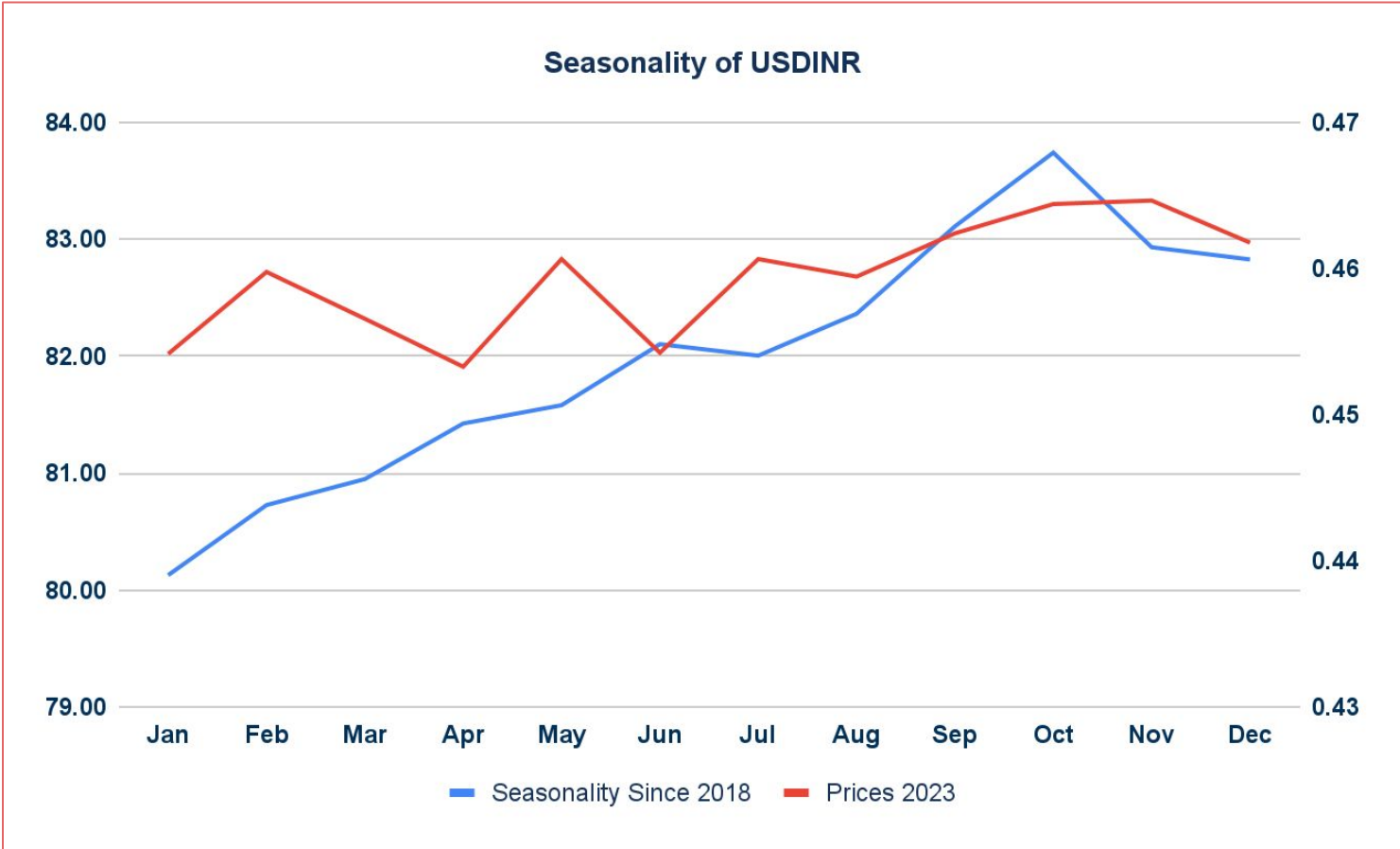
JPY gains as Japan showed improvement in retail trade. Retail sales in Japan rose 5.3% year-on-year in November 2023, accelerating for the first time in three months. Industrial production in Japan declined by 0.9% month-over-month in November 2023.

### OI & Volume



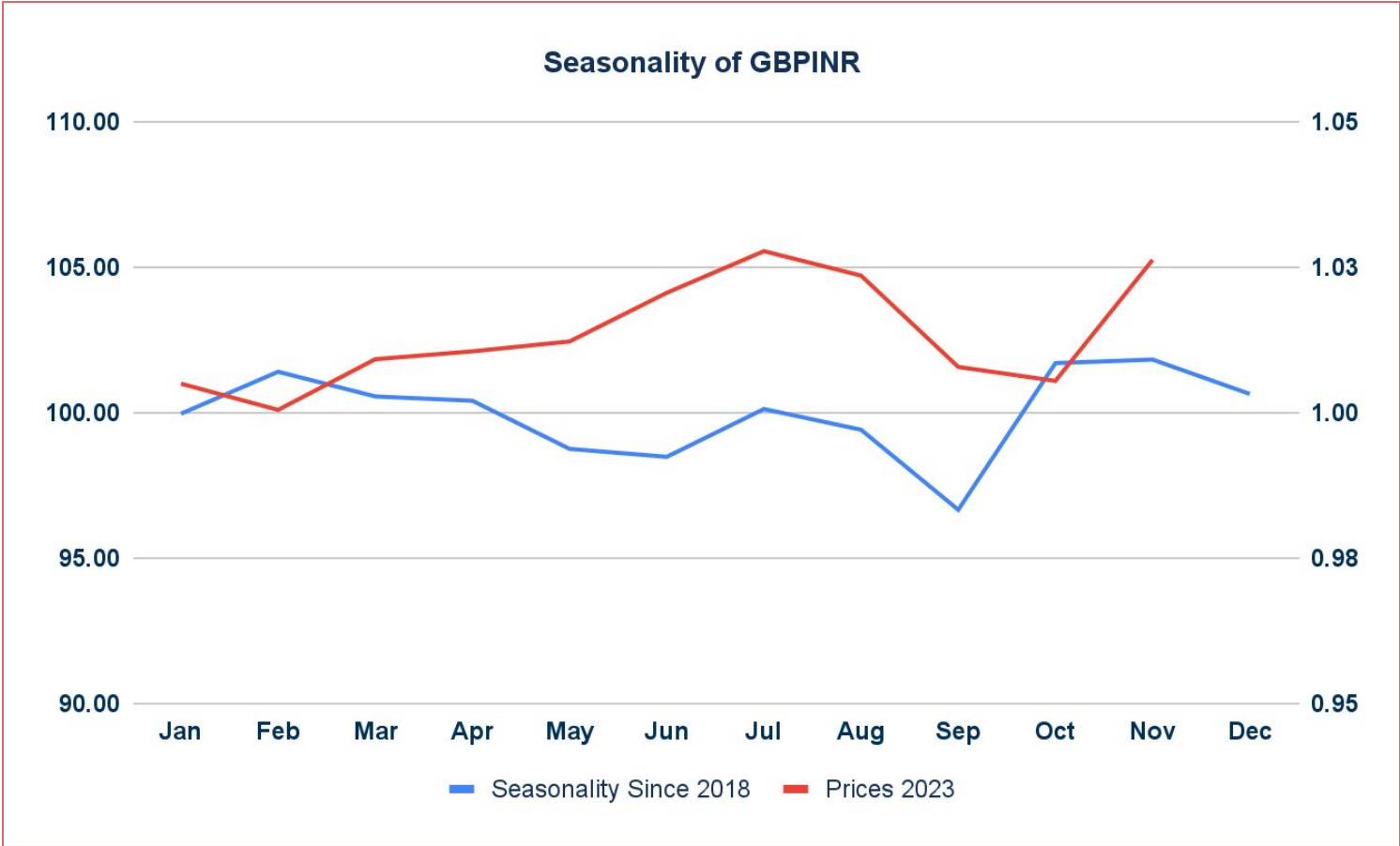
### Spread

Currency	Spread
JPYINR FEB-JAN	0.3475



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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

Japan's factory output declined in November, weighed by falls in autos production and clouding the outlook for the export-reliant economy. Industrial production fell 0.9% in November from the previous month, data from the Ministry of Economy, Trade and Industry (METI) showed. The reading was better than the median market forecast for a 1.6% drop. Motor vehicle production, which has underpinned industrial output, fell 2.5% in November from the prior month due to slowdowns in the manufacturing of small cars and engines, a METI official said. Output of electrical machinery and information and communication electronics equipment also fell 3.5%, due to sluggish demand in semiconductor and integrated-circuit testing equipment, the official said. Manufacturers surveyed by the industry ministry expect seasonally adjusted output to increase 6.0% in December and decline 7.2% in January. METI maintained its assessment of industrial output as "seesawing". Furthermore, a production halt at Toyota Motor (NYSE:TM)'s small car-unit Daihatsu due to safety scandal is expected to add downward pressure on output from January onward, the METI official said. Regarding the outlook on semiconductor production, the METI official expected a gradual recovery.

China's manufacturing activity likely contracted for the third consecutive month, weighed by soft demand for manufactured goods, a reading that would embolden calls for more policy support. The official purchasing managers' index (PMI) likely was at 49.5 in December from last month's 49.4, according to the median forecast of 24 economists in a poll conducted 22-28 December. The 50-point mark separates growth from contraction. The world's second-biggest economy has staggered following a feeble post-pandemic recovery, held back by a property crisis, local government debt risks and slow global growth. The government has in recent months unveiled a series of measures to prop up growth. New bank lending in China jumped less than expected in November, even as the central bank keeps policy accommodative to lift confidence and spur the recovery. China will strive to expand domestic demand, ensure a speedy economic recovery and promote stable growth, according to an interim report on the country's 14th five-year plan published by parliament.

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