

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

25 Oct 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-Oct-23	83.1500	83.1950	83.1025	83.1775	0.07
USDINR	28-Nov-23	83.1925	83.2700	83.1825	83.2500	0.06
EURINR	27-Oct-23	87.9900	88.3000	87.9350	88.2350	0.21
EURINR	28-Nov-23	88.2000	88.4825	88.1250	88.4225	0.21
GBPINR	27-Oct-23	101.0250	101.3300	101.0000	101.1875	0.30
GBPINR	28-Nov-23	101.2000	101.4575	101.1400	101.3375	0.30
JPYINR	27-Oct-23	55.5550	55.5975	55.5225	55.5700	0.05
JPYINR	28-Nov-23	55.9275	55.9650	55.8975	55.9375	0.04

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	27-Oct-23	0.07	-2.62	Short Covering
USDINR	28-Nov-23	0.06	2.90	Fresh Buying
EURINR	27-Oct-23	0.21	-4.87	Short Covering
EURINR	28-Nov-23	0.21	12.36	Fresh Buying
GBPINR	27-Oct-23	0.30	-12.02	Short Covering
GBPINR	28-Nov-23	0.30	1.67	Fresh Buying
JPYINR	27-Oct-23	0.05	-6.44	Short Covering
JPYINR	28-Nov-23	0.04	12.78	Fresh Buying

Global Indices

Index	Last	%Chg
Nifty	19281.75	-1.34
Dow Jones	33141.38	0.62
NASDAQ	13139.88	0.93
CAC	6893.65	0.63
FTSE 100	7389.70	0.20
Nikkei	31416.97	1.14

International Currencies

Currency	Last	% Change
EURUSD	1.06	0.05
GBPUSD	1.2173	0.11
USDJPY	149.84	-0.01
USDCAD	1.3737	-0.04
USDAUD	1.5645	-0.52
USDCHF	89.27	-0.04

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Technical Snapshot



SELL USDINR OCT @ 83.2 SL 83.35 TGT 83-82.85.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	83.1775	83.25	83.22	83.16	83.13	83.07
28-Nov-23	83.2500	83.32	83.28	83.23	83.19	83.14

Observations

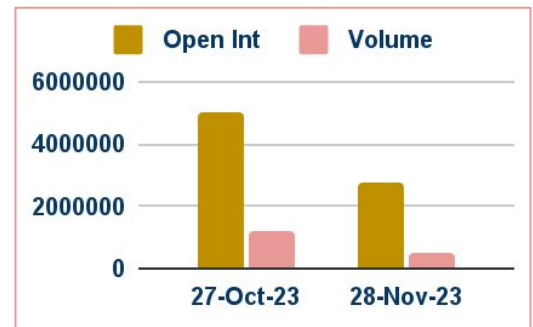
USDINR trading range for the day is 83.07-83.25.

Rupee ended lower tracking a decline in Asian currencies, while forward premiums fell.

S&P Global PMIs for the US beat expectations, in another sign the US economy remained robust in October.

However, likely intervention by RBI continued to help prevent a breach of the rupee's record low.

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.0725

Technical Snapshot



SELL EURINR OCT @ 88.15 SL 88.35 TGT 87.9-87.75.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	88.2350	88.53	88.39	88.16	88.02	87.79
28-Nov-23	88.4225	88.70	88.56	88.34	88.20	87.98

Observations

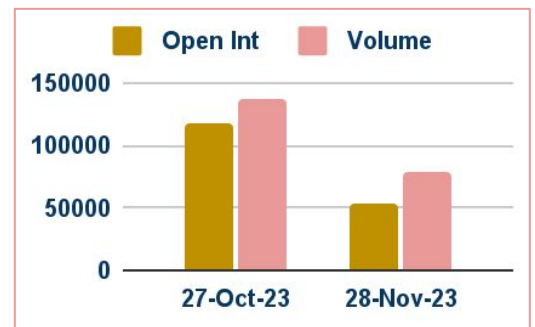
EURINR trading range for the day is 87.79-88.53.

Euro struggled as investors prepared for an upcoming European Central Bank meeting later in the week

Policymakers will likely leave interest rates unchanged, following 10 consecutive hikes that brought borrowing costs to multi-year highs

ECB chief economist Philip Lane stated that there is a considerable way to go before contemplating rate cuts.

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.0725

Technical Snapshot



SELL GBPINR OCT @ 101.25 SL 101.5 TGT 101-100.85.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	101.1875	101.50	101.34	101.17	101.01	100.84
28-Nov-23	101.3375	101.63	101.48	101.31	101.16	100.99

Observations

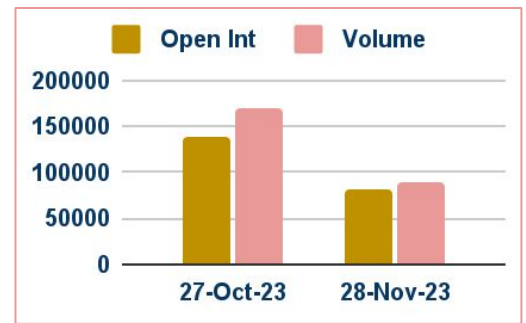
GBPINR trading range for the day is 100.84-101.5.

GBP weakened amid worries over rising bond yields and the escalating Israel-Hamas conflict.

Moody's credit rating agency has dropped its negative outlook on the UK

British consumer price inflation was at a 1-1/2-year low of 6.7% in September

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.0725

Technical Snapshot



SELL JPYINR OCT @ 55.7 SL 55.9 TGT 55.5-55.3.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	55.5700	55.64	55.60	55.56	55.52	55.48
28-Nov-23	55.9375	55.99	55.96	55.93	55.90	55.87

Observations

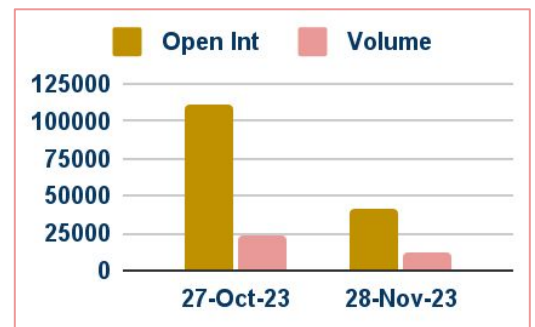
JPYINR trading range for the day is 55.48-55.64.

JPY remained in range as concerns over an escalating conflict in the Middle East dampened market sentiment.

Japan's Kishida vows measures to cushion blow from rising inflation

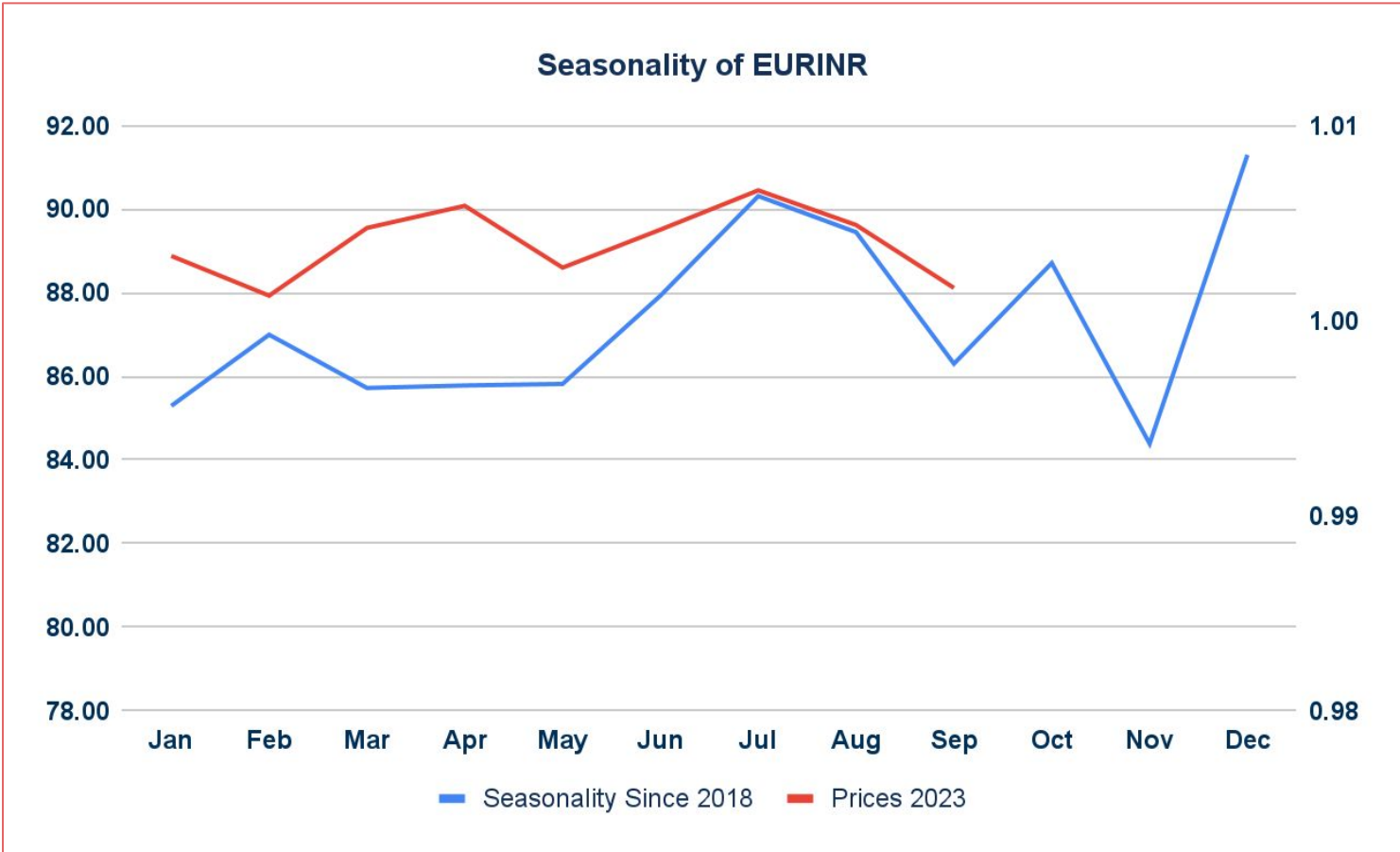
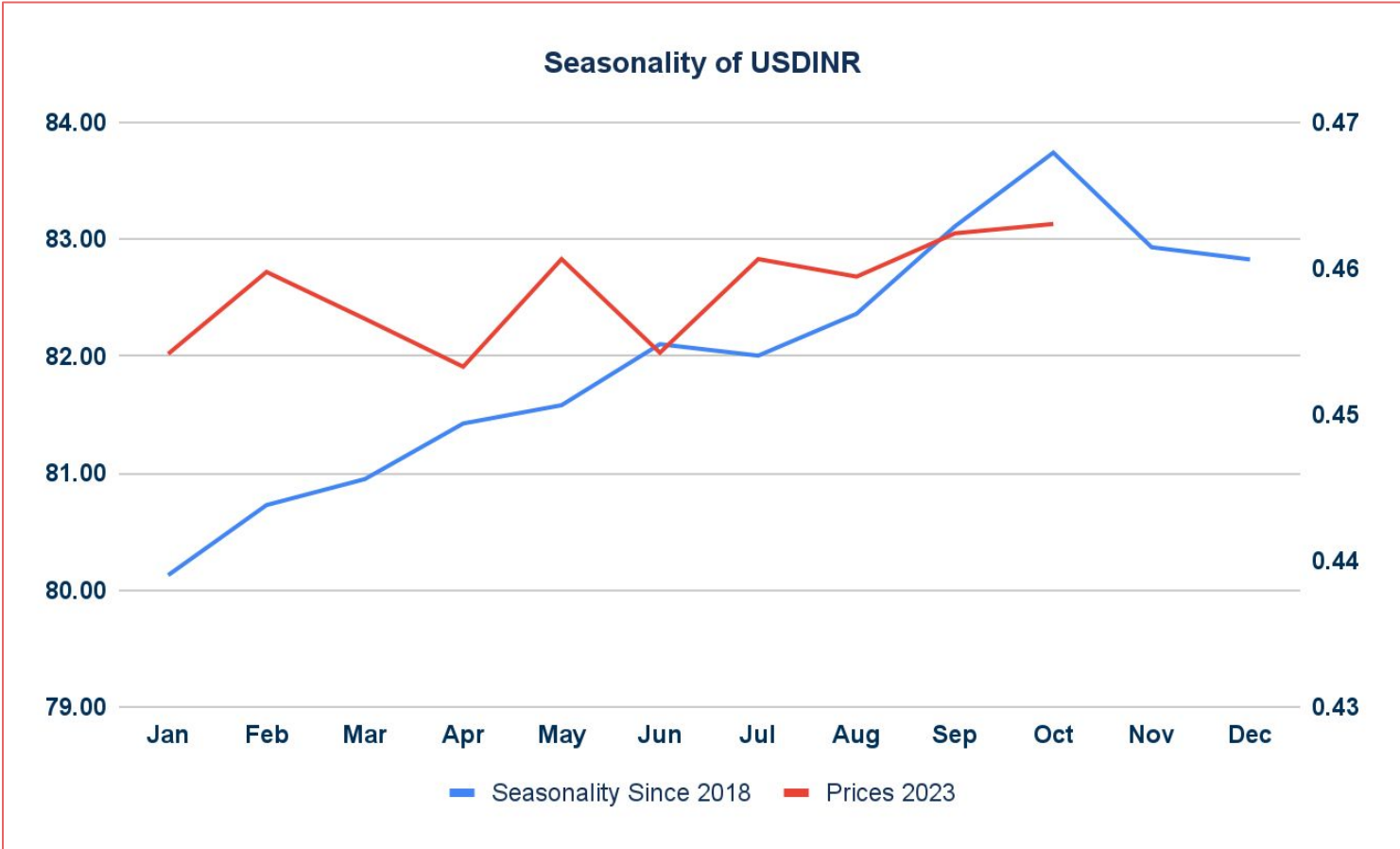
The core consumer price index in Japan, which excludes fresh food but includes fuel costs, rose 2.8% in September 2023 from a year ago

OI & Volume



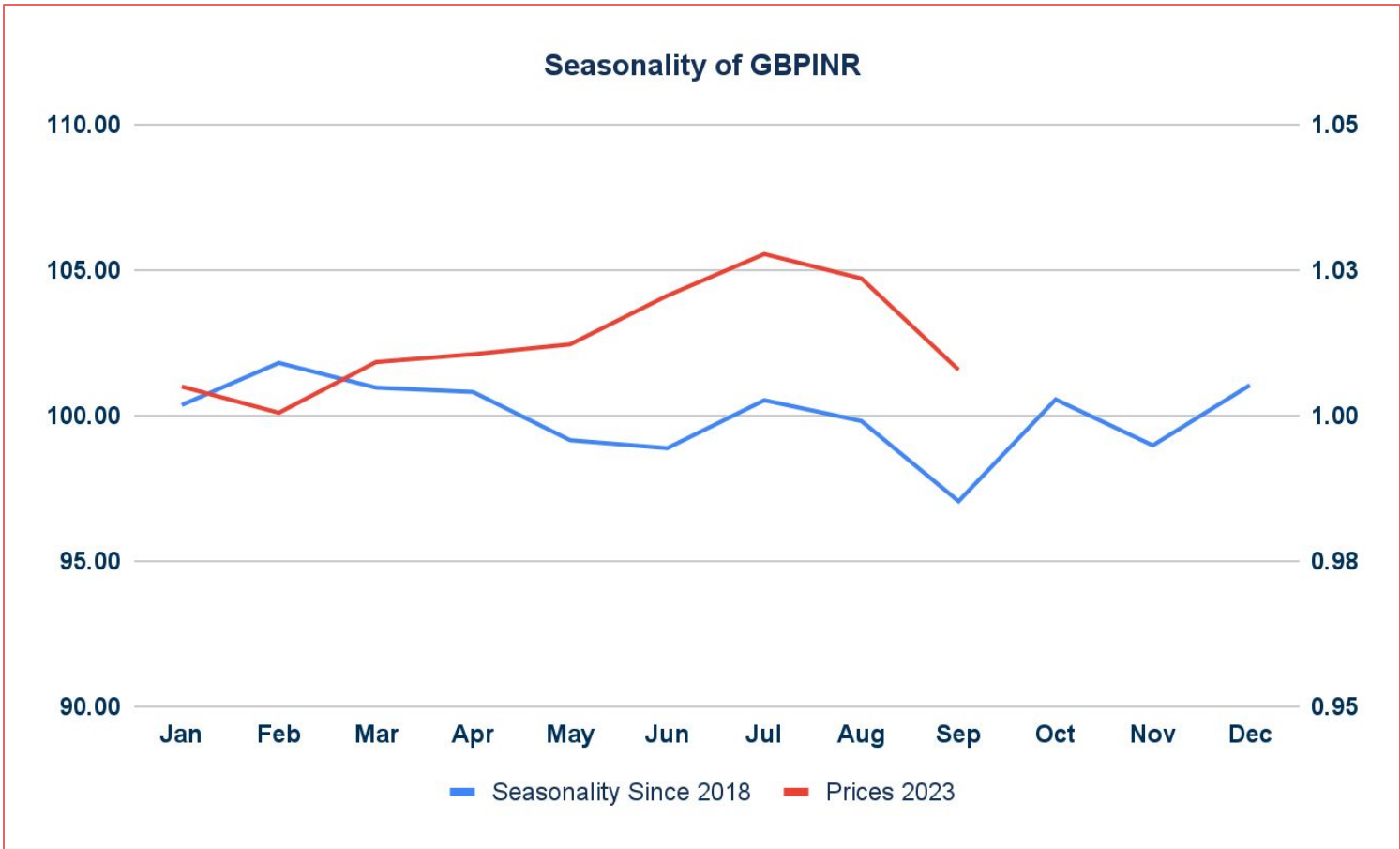
Spread

Currency	Spread
USDINR NOV-OCT	0.0725



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Economic Data

Date	Curr.	Data	Date	Curr.	Data
Oct 23	EUR	Consumer Confidence	Oct 26	EUR	Main Refinancing Rate
Oct 24	EUR	German GfK Consumer Climate	Oct 26	USD	Advance GDP q/q
Oct 24	EUR	Flash Services PMI	Oct 26	USD	Unemployment Claims
Oct 24	GBP	Flash Manufacturing PMI	Oct 26	USD	Advance GDP Price Index q/q
Oct 24	GBP	Flash Services PMI	Oct 26	USD	Core Durable Goods Orders m/m
Oct 24	USD	Flash Manufacturing PMI	Oct 26	USD	Durable Goods Orders m/m
Oct 24	USD	Flash Services PMI	Oct 26	USD	Goods Trade Balance
Oct 24	USD	Richmond Manufacturing Index	Oct 26	USD	Pending Home Sales m/m
Oct 25	EUR	German ifo Business Climate	Oct 26	USD	Natural Gas Storage
Oct 25	EUR	M3 Money Supply y/y	Oct 27	EUR	Spanish Flash GDP q/q
Oct 25	EUR	Private Loans y/y	Oct 27	USD	Core PCE Price Index m/m
Oct 25	CNY	CB Leading Index m/m	Oct 27	USD	Personal Income m/m
Oct 25	USD	New Home Sales	Oct 27	USD	Personal Spending m/m
Oct 25	USD	Crude Oil Inventories	Oct 27	USD	Revised UoM Consumer Sentiment
Oct 26	EUR	Spanish Unemployment Rate	Oct 27	USD	Revised UoM Inflation Expectations

News

Japanese Prime Minister Fumio Kishida pledged to compensate households for the rising cost of living with subsidies and payouts, stressing his government's resolve to pull the economy permanently out of stagnation. Inflation, fuelled by rising costs of raw materials, has kept above the central bank's target of 2% for more than a year, weighing on consumption and clouding the outlook for an economy making a delayed recovery from the scars left by COVID-19. With the rise in wages proving too slow to offset "rapidly rising prices", the government will cushion the blow by returning to households some of the expected increase in tax revenues generated by solid economic growth, Kishida said. "We're seeing signs of change in an economy that had focused on cutting costs for three decades," he told an extraordinary session of parliament. "To ensure this change takes hold, we must achieve sustained, structural wage increases and promote investment through private-public cooperation," Kishida added. "I'm putting the highest priority on the economy." While big firms have pledged pay hikes, inflation-adjusted real wages, a barometer of consumer purchasing power, fell 2.5% on the year in August for a 17th straight month of declines, as persistent price hikes outpaced salary growth.

The U.S. economy's strength and continued tight labor markets could warrant further Federal Reserve interest rate increases, Fed Chair Jerome Powell said in remarks that appeared to push back against market expectations that the U.S. central bank's rate hikes had reached an end. "We are attentive to recent data showing the resilience of economic growth and demand for labor. Additional evidence of persistently above-trend growth, or that tightness in the labor market is no longer easing, could put further progress on inflation at risk and could warrant further tightening of monetary policy," Powell said in remarks to the Economic Club of New York. For inflation to durably return to the Fed's 2% target, it "is likely to require a period of below-trend growth and some further softening in labor market conditions," Powell said. Since the Fed began raising interest rates in March of 2022 the unemployment rate has varied little from the current 3.8%, below the level most Fed officials feel is non inflationary, and overall economic growth has generally remained above the 1.8% annual growth rate Fed officials see as the economy's underlying potential.

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