

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

22 Sep 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	26-Sep-23	83.1200	83.1850	83.0075	83.0650	-0.07
USDINR	27-Oct-23	83.2000	83.2900	83.1275	83.1700	-0.07
EURINR	26-Sep-23	88.5600	88.7250	88.3650	88.4625	-0.60
EURINR	27-Oct-23	88.6775	88.9500	88.5550	88.6875	-0.57
GBPINR	26-Sep-23	102.5850	102.6050	101.6325	101.9400	-0.86
GBPINR	27-Oct-23	102.6525	103.3000	101.7500	102.1050	-0.86
JPYINR	26-Sep-23	56.1750	56.2925	56.0775	56.2425	-0.11
JPYINR	27-Oct-23	56.6000	56.7775	56.5050	56.6675	-0.08

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	26-Sep-23	-0.07	-4.41	Long Liquidation
USDINR	27-Oct-23	-0.07	29.53	Fresh Selling
EURINR	26-Sep-23	-0.60	-7.75	Long Liquidation
EURINR	27-Oct-23	-0.57	18.36	Fresh Selling
GBPINR	26-Sep-23	-0.86	4.09	Fresh Selling
GBPINR	27-Oct-23	-0.86	25.27	Fresh Selling
JPYINR	26-Sep-23	-0.11	-0.45	Long Liquidation
JPYINR	27-Oct-23	-0.08	14.22	Fresh Selling

Global Indices

Index	Last	%Chg
Nifty	19742.35	-0.80
Dow Jones	34070.42	-1.08
NASDAQ	13223.99	-1.82
CAC	7213.90	-1.59
FTSE 100	7678.62	-0.69
Nikkei	32333.12	-0.73

International Currencies

Currency	Last	% Change
EURUSD	1.065	-0.09
GBPUSD	1.2283	-0.09
USDJPY	147.75	0.07
USDCAD	1.3469	-0.07
USDAUD	1.5566	-0.23
USDCHF	90.45	-0.04

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Technical Snapshot



BUY USDINR SEP @ 83 SL 82.88 TGT 83.15-83.28.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
26-Sep-23	83.0650	83.26	83.17	83.09	83.00	82.92
27-Oct-23	83.1700	83.36	83.27	83.20	83.11	83.04

Observations

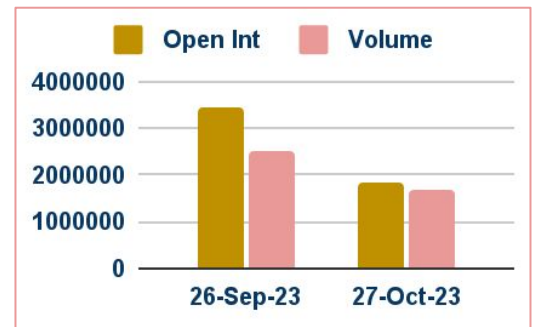
USDINR trading range for the day is 82.92-83.26.

Rupee ended flat amid exporter dollar sales and fears of potential central bank intervention.

ADB lowers India's growth forecast to 6.3 percent for FY24, raises inflation forecast

The median dot plot in the Fed's summary of economic projections showed 50 bps of rate cuts in 2024

OI & Volume



Spread

Currency	Spread
USDINR OCT-SEP	0.1050

Technical Snapshot



BUY EURINR SEP @ 88.25 SL 88.05 TGT 88.5-88.65.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
26-Sep-23	88.4625	88.88	88.68	88.52	88.32	88.16
27-Oct-23	88.6875	89.13	88.91	88.73	88.51	88.33

Observations

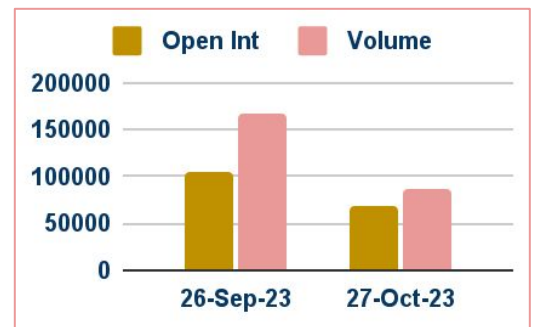
EURINR trading range for the day is 88.16-88.88.

Euro dropped after the Fed kept the target range for the fund's rate at 5.25%-5.5%

Risks to inflation in the euro zone are now balanced, ECB's De Cos says

Euro zone consumer inflation in August was slightly lower than initially estimated

OI & Volume



Spread

Currency	Spread
USDINR OCT-SEP	0.1050

Technical Snapshot



BUY GBPINR SEP @ 101.8 SL 101.5 TGT 102.1-102.35.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
26-Sep-23	101.9400	103.03	102.49	102.06	101.52	101.09
27-Oct-23	102.1050	103.94	103.03	102.39	101.48	100.84

Observations

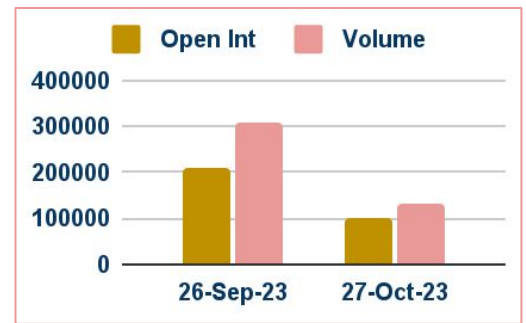
GBPINR trading range for the day is 101.09-103.03.

GBP fell after Bank of England held its policy interest rate at 5.25% during its September meeting

Public sector net borrowing excluding public sector banks in the UK was £11.6 billion

Data showed British inflation slowed more than expected in August, coming in at 6.7% year-on-year, down from 6.8% in July.

OI & Volume



Spread

Currency	Spread
USDINR OCT-SEP	0.1050

Technical Snapshot



BUY JPYINR SEP @ 56.15 SL 55.95 TGT 56.35-56.55.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
26-Sep-23	56.2425	56.41	56.32	56.20	56.11	55.99
27-Oct-23	56.6675	56.93	56.80	56.65	56.52	56.37

Observations

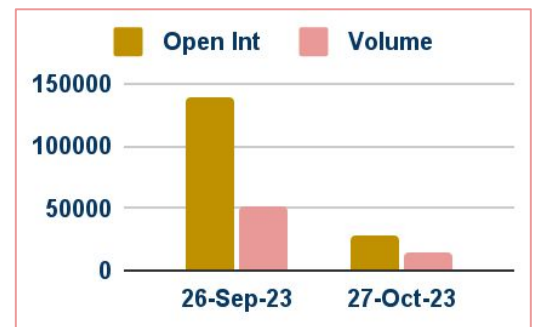
JPYINR trading range for the day is 55.99-56.41.

JPY weakened as the divergence between monetary policy in the US and Japan became more pronounced.

Japan's top government spokesperson said authorities wouldn't rule out any options in addressing excess volatility in currency markets.

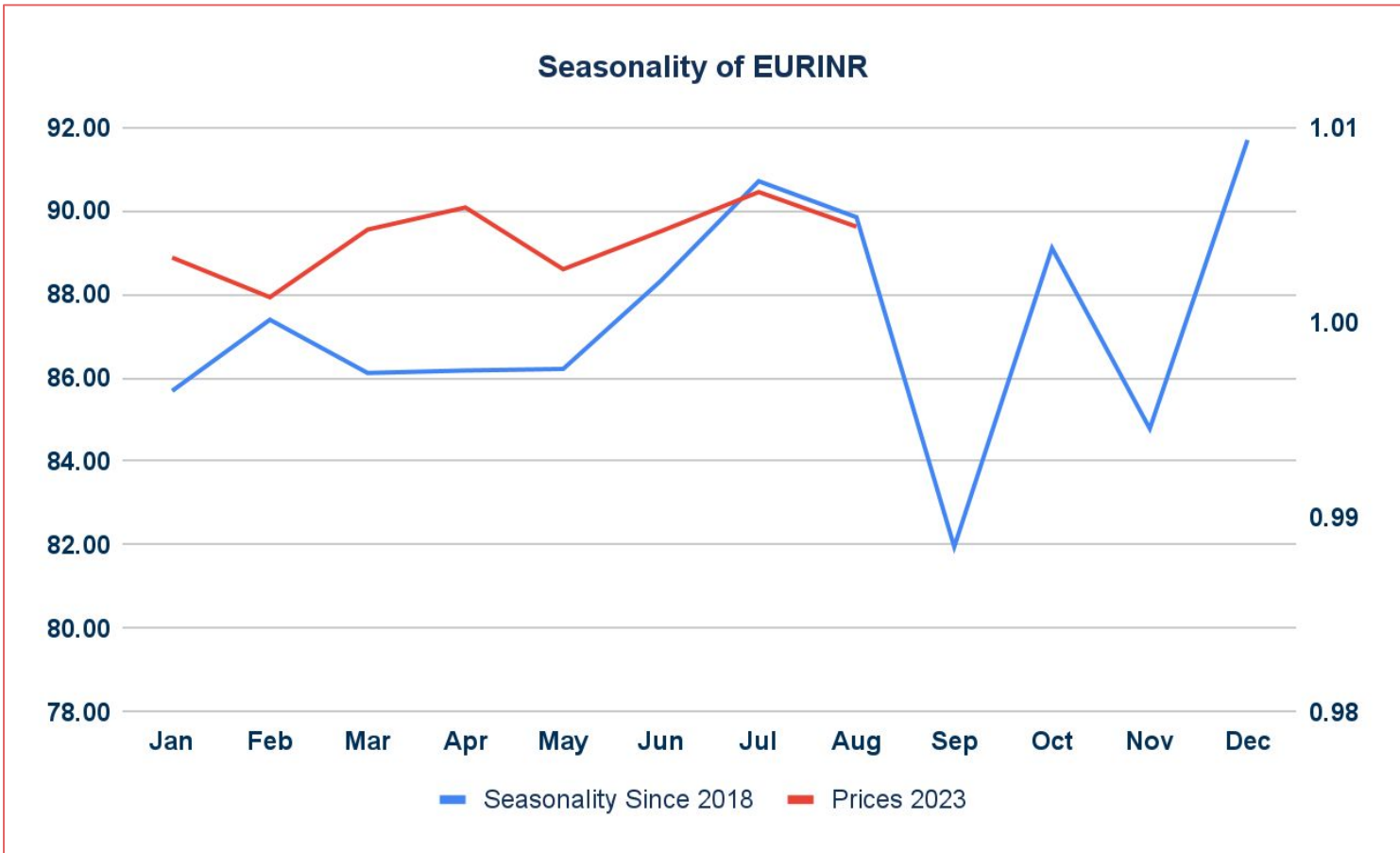
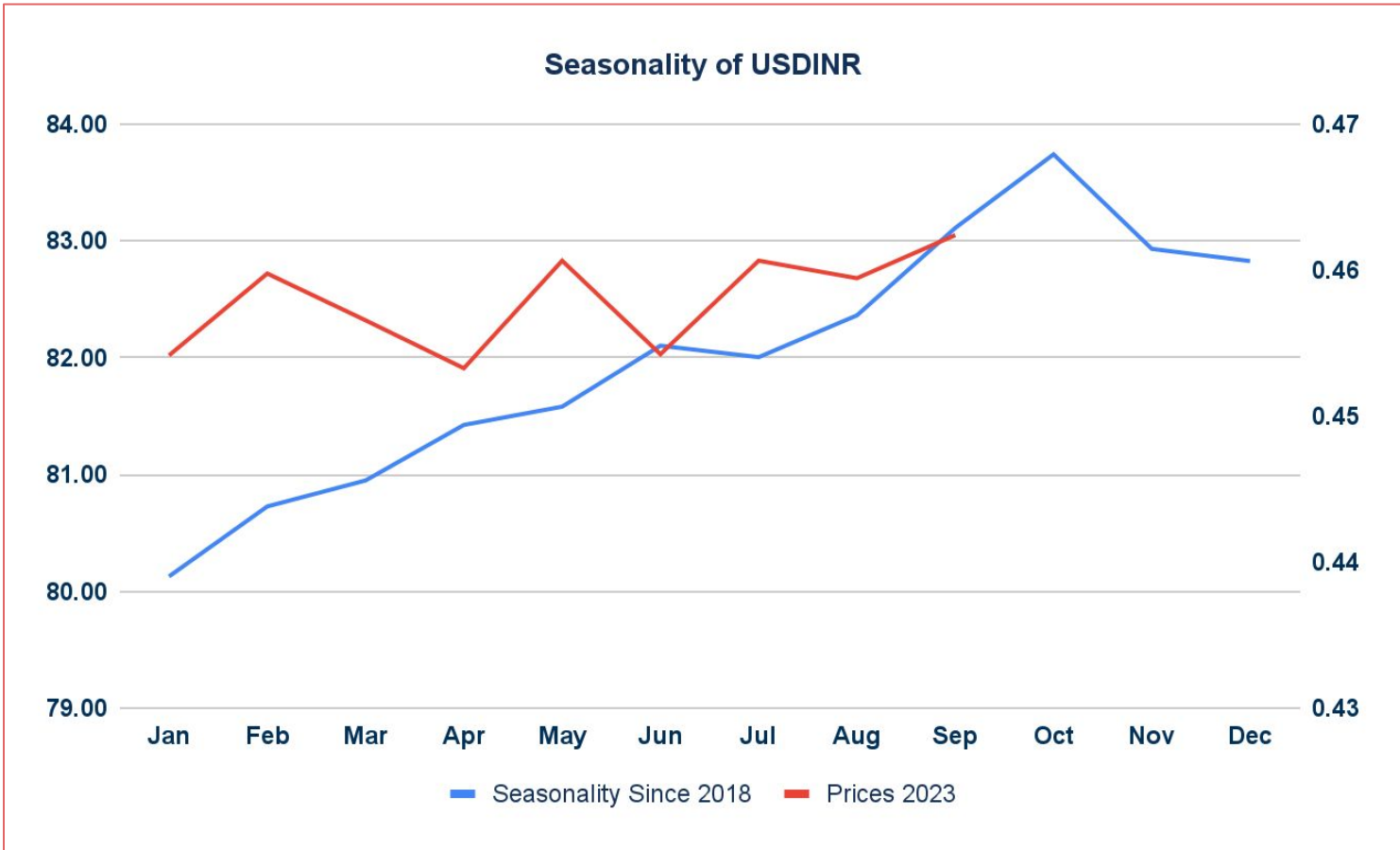
The Federal Reserve kept the target range for the fund's rate at a 22-year high of 5.25%-5.5%

OI & Volume



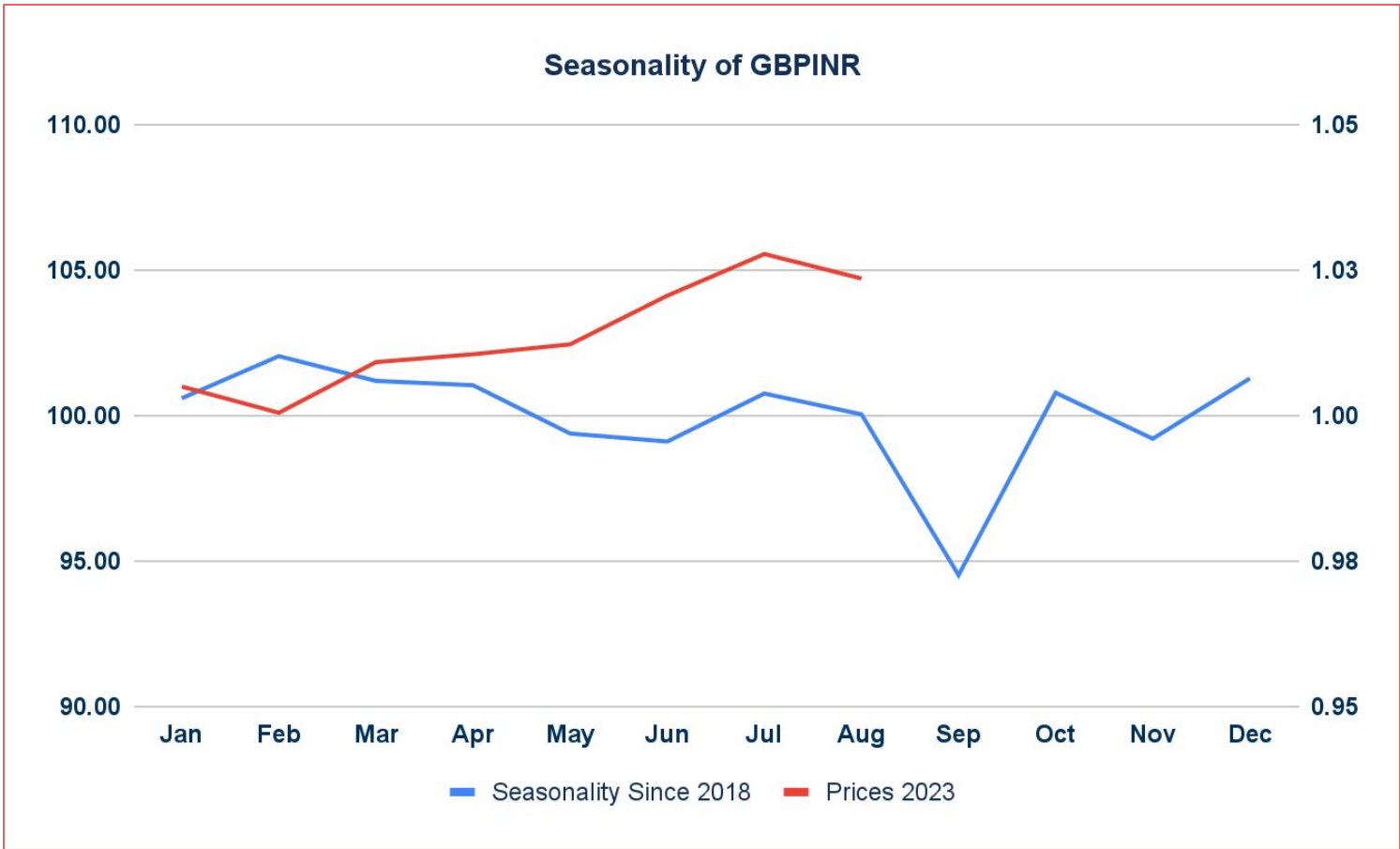
Spread

Currency	Spread
USDINR OCT-SEP	0.1050



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Economic Data

Date	Curr.	Data	Date	Curr.	Data
Sep 18	USD	NAHB Housing Market Index	Sep 21	USD	Philly Fed Manufacturing Index
Sep 19	EUR	Current Account	Sep 21	EUR	Consumer Confidence
Sep 19	EUR	Final Core CPI y/y	Sep 21	USD	Existing Home Sales
Sep 19	EUR	Final CPI y/y	Sep 21	USD	CB Leading Index m/m
Sep 19	USD	Building Permits	Sep 21	USD	Natural Gas Storage
Sep 19	USD	Housing Starts	Sep 22	GBP	Retail Sales m/m
Sep 20	EUR	German PPI m/m	Sep 22	EUR	German Flash Manufacturing PMI
Sep 20	USD	Crude Oil Inventories	Sep 22	EUR	German Flash Services PMI
Sep 20	USD	Federal Funds Rate	Sep 22	EUR	Flash Manufacturing PMI
Sep 20	USD	FOMC Economic Projections	Sep 22	EUR	Flash Services PMI
Sep 20	USD	FOMC Statement	Sep 22	GBP	Flash Manufacturing PMI
Sep 21	GBP	Monetary Policy Summary	Sep 22	GBP	Flash Services PMI
Sep 21	GBP	MPC Official Bank Rate Votes	Sep 22	GBP	CBI Industrial Order Expectations
Sep 21	GBP	Official Bank Rate	Sep 22	USD	Flash Manufacturing PMI
Sep 21	USD	Unemployment Claims	Sep 22	USD	Flash Services PMI

News

Federal Reserve Chair Jerome Powell declined to say he expects a "soft landing" for the U.S. economy, but that sure was the picture painted by policymakers in their newest economic forecasts. Fed officials, indeed, appear to be growing more confident than ever in being able to cool inflation without a recession or a sharp rise in unemployment. They expect economic growth to slow next year to about 1.5%, from 2.1% this year, and for the unemployment rate to go no higher than 4.1%, the latest quarterly summary of their projections shows. That's just a smidge higher than the 4% level they see as sustainable in the long-run, and only a few tenths more than its current 3.8% level. Just three months ago they anticipated U.S. GDP to grow only 1.1% next year, after just 1% this year, and for the unemployment rate to peak at 4.5% next year and still be there at the end of 2025. But asked during a press conference if he would now call the soft landing a baseline expectation, Powell demurred. The summary of forecasts shows most policymakers continue to expect one more interest-rate hike this year, bringing the policy rate to 5.6%, after the Fed hold rates steady in a range of 5.25-5.50% on Wednesday, as widely expected.

China kept benchmark lending rates unchanged at a monthly fixing, matching market expectations, as fresh signs of economic stabilisation and a weakening yuan reduced the need for immediate monetary easing. Recent economic data showed the world's second-largest economy was picking up steam, while yuan declines have reduced the urgency for authorities to aggressively lower interest rates to prop up slowing growth. 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 China are based on the one-year LPR, while the five-year rate influences the pricing of mortgages. The steady LPR fixings follow the central bank's decision last week to roll over maturing medium-term policy loans while keeping the interest rate on them unchanged last week. The medium-term lending facility (MLF) rate serves as a guide to the LPR and markets see it as a precursor to any changes to the lending benchmarks. China's central bank last week lowered the amount of cash banks must hold as reserves for a second time this year to boost liquidity and support economic recovery. China cut the one-year benchmark lending rate in August but surprised markets by keeping the five-year rate unchanged.

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