

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

12 Jan 2024

- USDINR
- EURINR
- GBPINR
- JPYINR



Kedia Stocks & Commodities Research Pvt. Ltd.

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DAILY CURRENCY UPDATE

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Domestic Currencies

Currency	Expiry	Open	High	Low	Close	% Change
USDINR	29-Jan-24	83.0525	83.1300	82.9800	83.0775	-0.03
USDINR	27-Feb-24	83.1825	83.2125	83.0725	83.1650	-0.03
EURINR	29-Jan-24	91.2025	91.3725	91.1100	91.2325	0.20
EURINR	27-Feb-24	91.3675	91.4300	91.2600	91.3750	0.19
GBPINR	29-Jan-24	105.9100	106.0575	105.7925	105.9575	0.21
GBPINR	27-Feb-24	106.0450	106.1225	105.8700	106.0350	0.21
JPYINR	29-Jan-24	57.3350	57.4275	57.2200	57.3025	-0.42
JPYINR	26-Apr-24	58.4825	58.4825	58.3000	58.3800	-0.37

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	29-Jan-24	-0.03	-3.97	Long Liquidation
USDINR	27-Feb-24	-0.03	1.70	Fresh Selling
EURINR	29-Jan-24	0.20	0.57	Fresh Buying
EURINR	27-Feb-24	0.19	7.37	Fresh Buying
GBPINR	29-Jan-24	0.21	5.06	Fresh Buying
GBPINR	27-Feb-24	0.21	17.34	Fresh Buying
JPYINR	29-Jan-24	-0.42	6.57	Fresh Selling
JPYINR	26-Apr-24	-0.37	2.46	Fresh Selling

Global Indices

Index	Last	%Chg
Nifty	21647.20	0.13
Dow Jones	37711.02	0.04
NASDAQ	14970.19	0.00
CAC	7387.62	-0.52
FTSE 100	7576.59	-0.98
Nikkei	35460.06	1.17

International Currencies

Currency	Last	% Change
EURUSD	1.0981	0.00
GBPUSD	1.2778	0.01
USDJPY	145.14	0.06
USDCAD	1.3375	-0.04
USDAUD	1.4911	-0.12
USDCHF	85.21	0.12

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Technical Snapshot



SELL USDINR JAN @ 83.2 SL 83.35 TGT 83.05-82.95.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	83.0775	83.21	83.14	83.06	82.99	82.91
27-Feb-24	83.1650	83.29	83.23	83.15	83.09	83.01

Observations

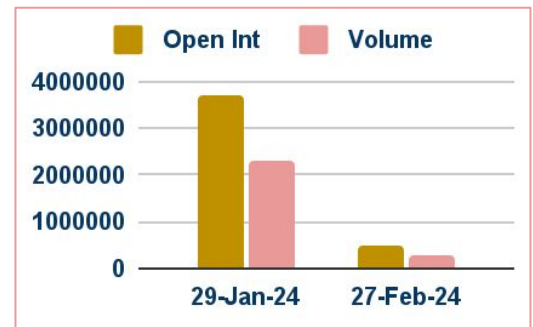
USDINR trading range for the day is 82.91-83.21.

Rupee ended little changed ahead of the key U.S. inflation data that could potentially help investors reassess the outlook for interest rates.

The annual inflation rate in the US rose to 3.4% in December, from 3.1% in November

India is on track to become one of the top three global economies, Indian Prime Minister Modi said.

OI & Volume



Spread

Currency	Spread
USDINR FEB-JAN	0.0875

Technical Snapshot



BUY EURINR JAN @ 91.1 SL 90.9 TGT 91.3-91.5.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	91.2325	91.50	91.37	91.24	91.11	90.98
27-Feb-24	91.3750	91.53	91.46	91.36	91.29	91.19

Observations

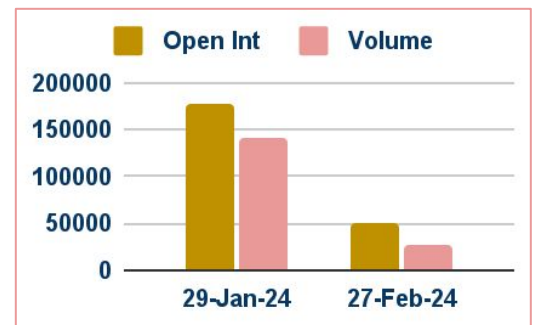
EURINR trading range for the day is 90.98-91.5.

Euro gains as investors digested comments from multiple ECB policymakers

Euro zone facing weak growth, possible recession, ECB's de Guindos says

Euro zone's services sector may slow further, ECB says

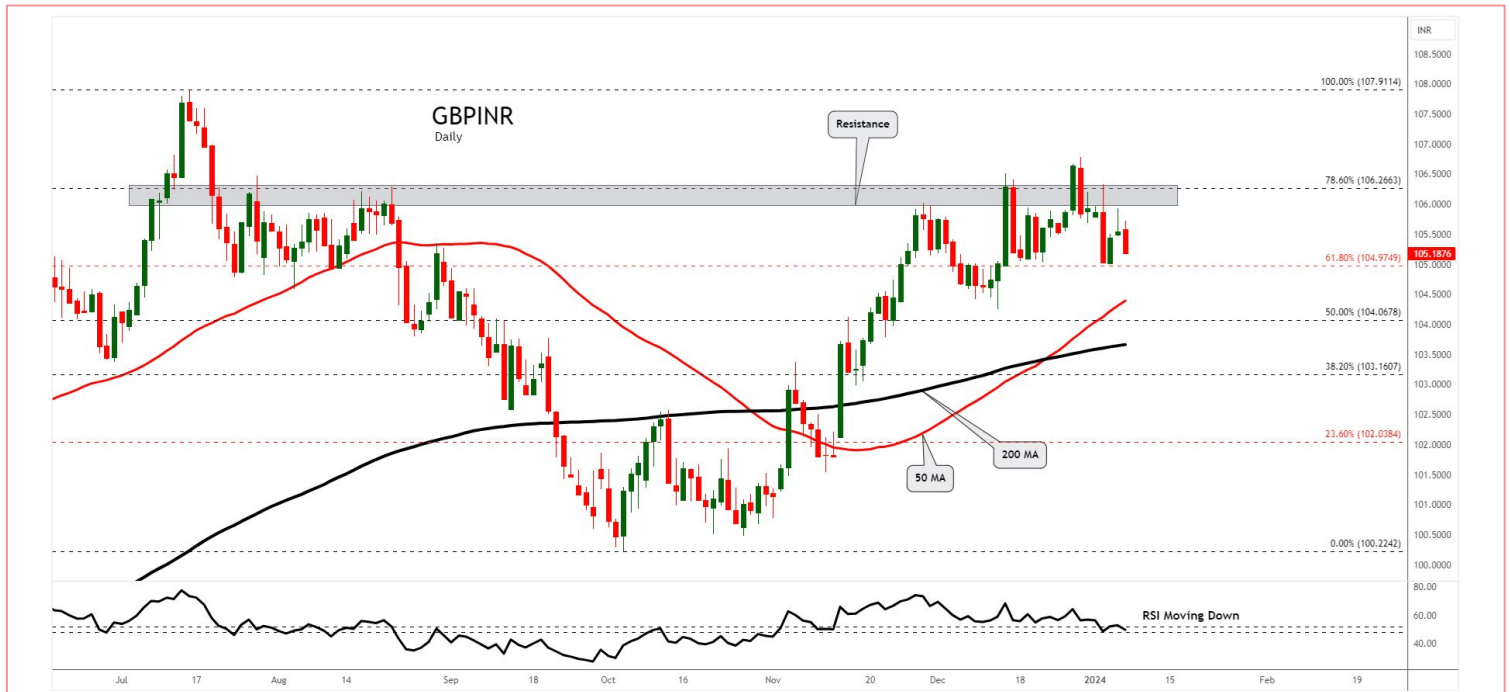
OI & Volume



Spread

Currency	Spread
EURINR FEB-JAN	0.1425

Technical Snapshot



BUY GBPINR JAN @ 105.7 SL 105.4 TGT 106-106.2.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	105.9575	106.21	106.09	105.94	105.82	105.67
27-Feb-24	106.0350	106.26	106.15	106.01	105.90	105.76

Observations

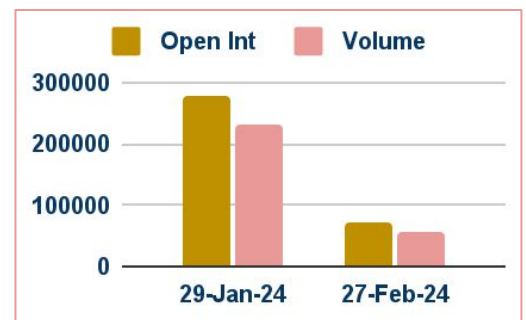
GBPINR trading range for the day is 105.67-106.21.

GBP rose as investors digested remarks by Bank of England Governor Andrew

The governor told the UK parliament that consumers and the UK economy are holding up despite the rapid rise in borrowing costs

Money markets currently pricing in around 115 basis points (bps) of BoE rate cuts in 2024.

OI & Volume



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Currency	Spread
GBPINR FEB-JAN	0.0775

Technical Snapshot



BUY JPYINR JAN @ 57 SL 56.8 TGT 57.2-57.4.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	57.3025	57.53	57.42	57.32	57.21	57.11
26-Apr-24	58.3800	58.57	58.48	58.39	58.30	58.21

Observations

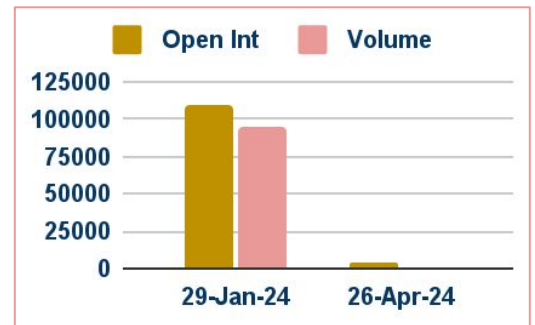
JPYINR trading range for the day is 57.11-57.53.

JPY dropped as investors awaited US inflation data and domestic inflation figures

Bank of Japan maintained ultra-loose monetary settings and did not comment on ending negative rates

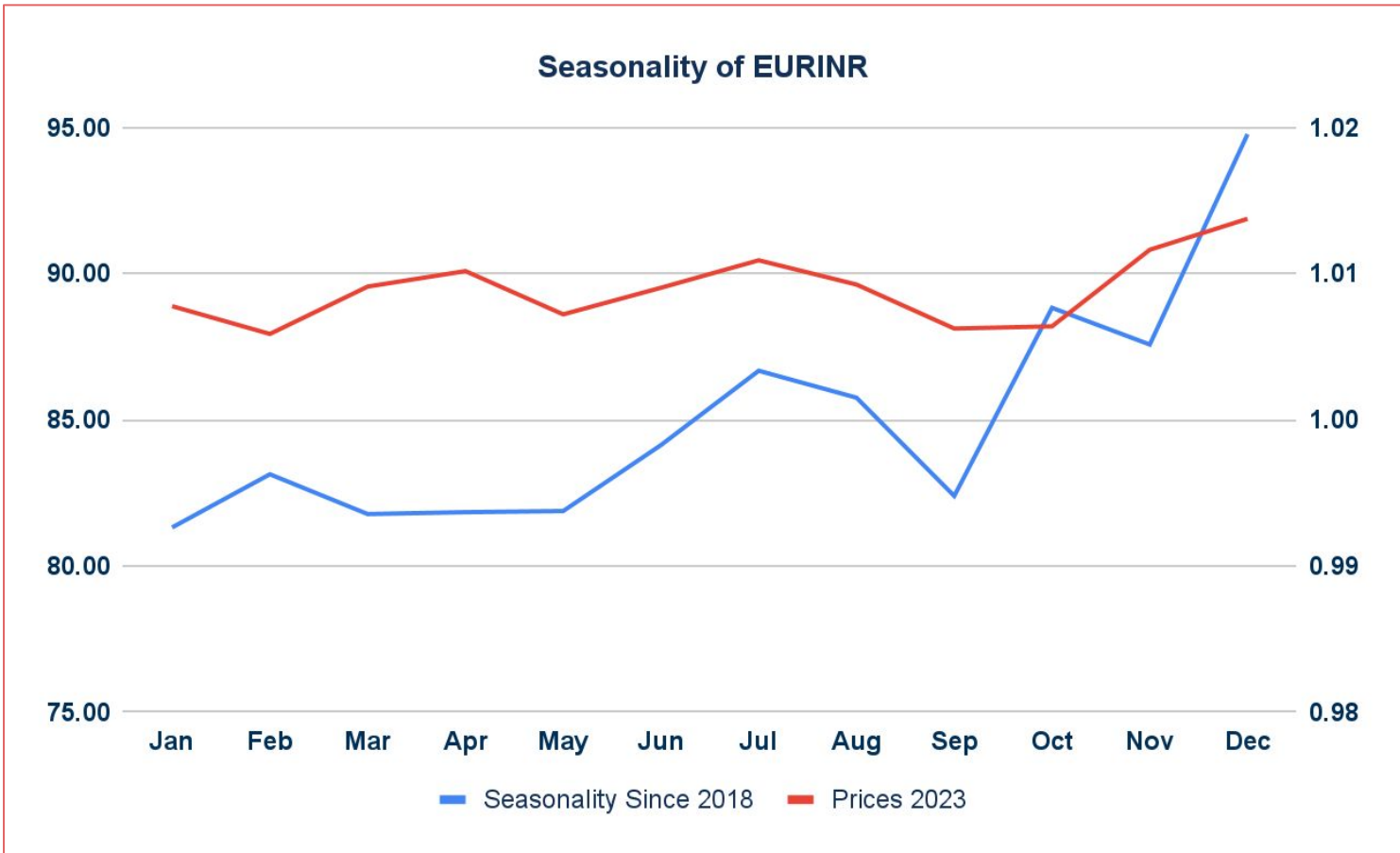
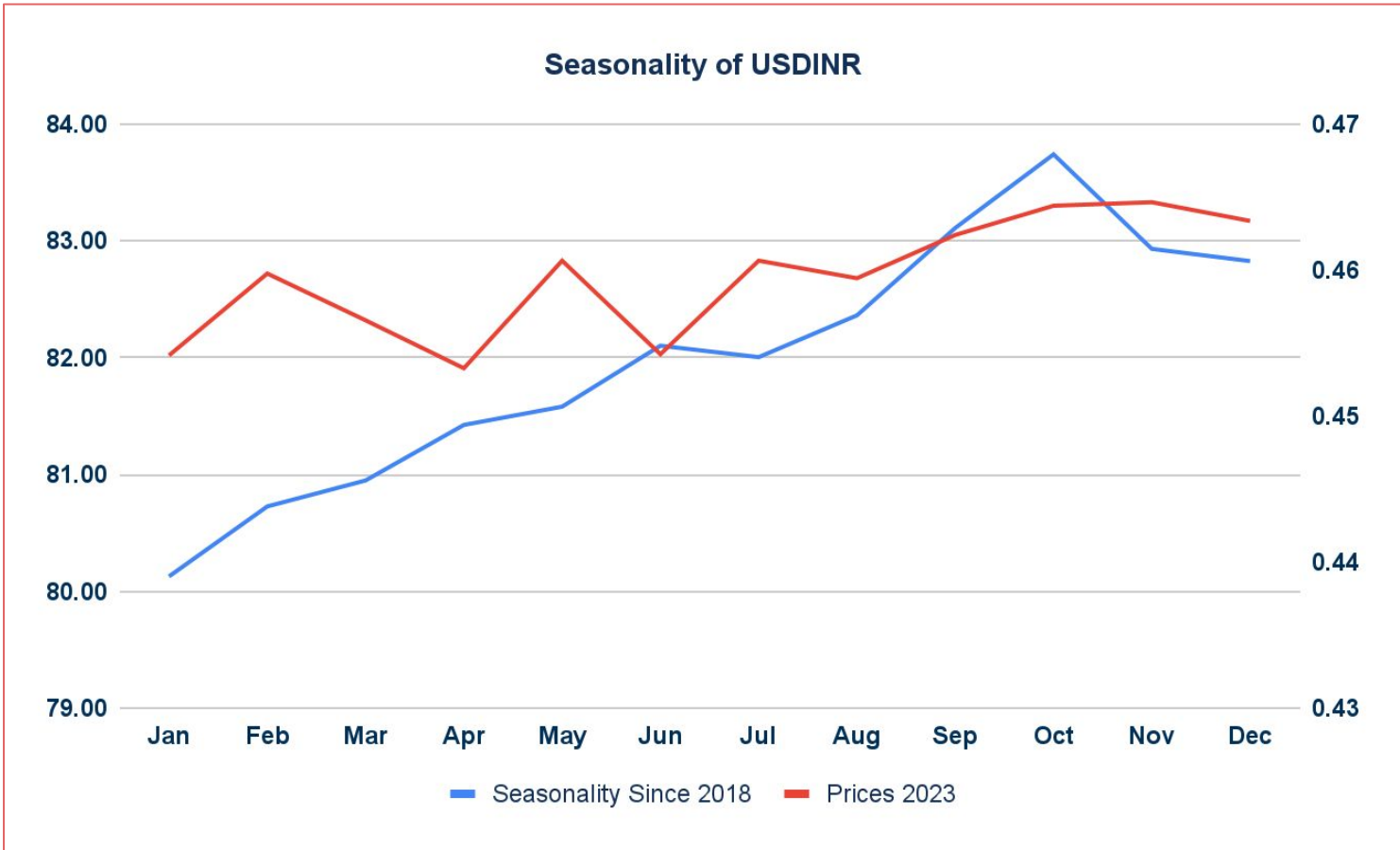
Reserve assets in Japan rose to \$1.295 trillion in December, highest level since July 2022

OI & Volume



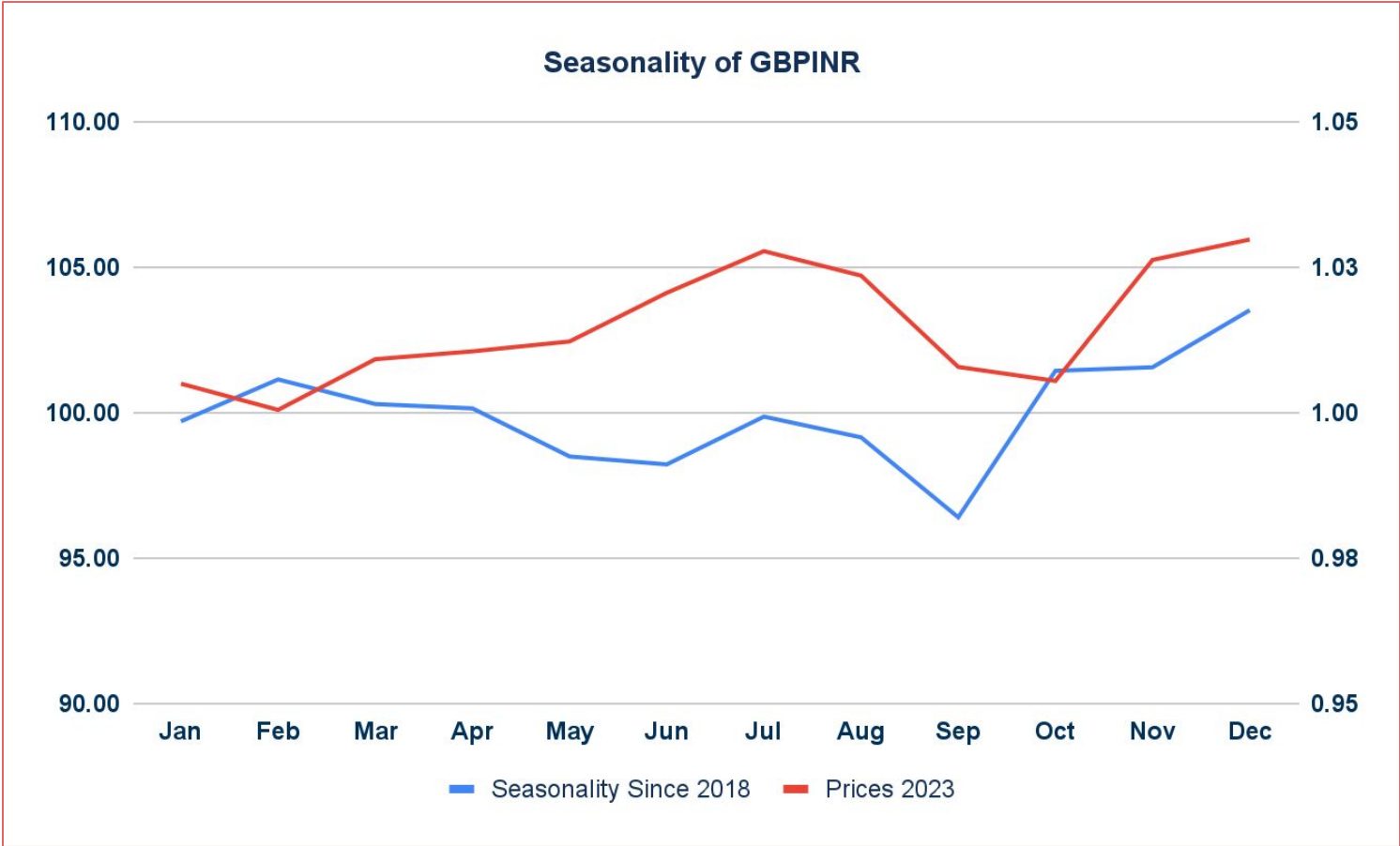
Spread

Currency	Spread
JPYINR FEB-JAN	1.0775



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Economic Data

Date	Curr.	Data
Jan 8	EUR	German Factory Orders m/m
Jan 8	EUR	German Trade Balance
Jan 8	EUR	Sentix Investor Confidence
Jan 8	EUR	Retail Sales m/m
Jan 8	USD	FOMC Member Bostic Speaks
Jan 9	EUR	German Industrial Production m/m
Jan 9	EUR	French Trade Balance
Jan 9	EUR	Italian Monthly Unemployment Rate
Jan 9	EUR	Unemployment Rate
Jan 9	USD	NFIB Small Business Index
Jan 9	USD	Trade Balance
Jan 9	USD	FOMC Member Barr Speaks
Jan 10	EUR	French Industrial Production m/m
Jan 10	EUR	Italian Retail Sales m/m
Jan 10	USD	Final Wholesale Inventories m/m

Date	Curr.	Data
Jan 10	USD	Crude Oil Inventories
Jan 11	USD	FOMC Member Williams Speaks
Jan 11	EUR	ECB Economic Bulletin
Jan 11	EUR	Italian Industrial Production m/m
Jan 11	USD	Core CPI m/m
Jan 11	USD	CPI m/m
Jan 11	USD	CPI y/y
Jan 11	USD	Unemployment Claims
Jan 11	USD	Natural Gas Storage
Jan 11	USD	30-y Bond Auction
Jan 12	USD	Federal Budget Balance
Jan 12	EUR	French Consumer Spending m/m
Jan 12	EUR	French Final CPI m/m
Jan 12	USD	Core PPI m/m
Jan 12	USD	PPI m/m

News

The euro zone may have been in recession last quarter and prospects remain weak, European Central Bank Vice President Luis de Guindos said, adding that the recent rapid slowdown in inflation is likely to take a pause now. Euro zone growth has been hovering on either side of zero for most of 2023 and only a mild pick up is seen this year, helping to cool inflation, which has overshot the ECB's target for years and forced policymakers to raise interest rates to record highs last year. "Soft indicators point to an economic contraction in December too, confirming the possibility of a technical recession in the second half of 2023 and weak prospects for the near term," de Guindos said. "Incoming data indicate that the future remains uncertain, and the prospects tilted to the downside," he said. De Guindos said that economic weakness was broad-based, with construction and manufacturing hit particularly hard and services likely to follow in the coming months. On policy, de Guindos offered no new message, merely repeating the ECB's guidance that a 4% deposit rate, maintained for a "sufficiently long duration", will help cut price growth back to the ECB's 2% target.

Euro zone services activity could weaken further in the coming quarters due to rising interest rates but the impact on the sector may be more muted than on manufacturing, a European Central Bank study concluded. The currency bloc's manufacturing sector had been in recession for most of 2023, partly due to rapid ECB rate hikes, which were part of the central bank's efforts to contain runaway inflation. But demand for services remained relatively robust, boosting overall growth and puzzling some. This may change, however, as services activity tends to mirror manufacturing with a two-quarter lag, the ECB concluded. "The dynamics in manufacturing contain information relevant to the near-term dynamics in services, and thus for the rest of the economy," the ECB said in an Economic Bulletin article. "Manufacturing appears to lead services... whereas no clear leading relation can be established in the other direction." The ECB raised interest rates from deep in negative territory to a record high 4% in just over a year as an unexpected surge in inflation reverberated through the economy, pushing up costs for everything from energy and foods to services.

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