

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

24 Jan 2024

- USDINR
- EURINR
- GBPINR
- JPYINR



Kedia Stocks & Commodities Research Pvt. Ltd.

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Domestic Currencies

Currency	Expiry	Open	High	Low	Close	% Change
USDINR	29-Jan-24	83.1900	83.1900	83.0800	83.1675	0.10
USDINR	27-Feb-24	83.2050	83.2700	83.1625	83.2500	0.10
EURINR	29-Jan-24	90.5125	90.7500	90.3775	90.4300	-0.05
EURINR	27-Feb-24	90.6950	90.8800	90.5375	90.5900	-0.04
GBPINR	29-Jan-24	105.6650	105.9000	105.6100	105.6625	0.27
GBPINR	27-Feb-24	105.6000	105.9775	105.6000	105.7525	0.27
JPYINR	29-Jan-24	56.1625	56.6250	56.0725	56.3225	0.15
JPYINR	27-Feb-24	56.6025	56.9700	56.4525	56.6825	0.14

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	29-Jan-24	0.10	-7.60	Short Covering
USDINR	27-Feb-24	0.10	31.43	Fresh Buying
EURINR	29-Jan-24	-0.05	-6.05	Long Liquidation
EURINR	27-Feb-24	-0.04	9.41	Fresh Selling
GBPINR	29-Jan-24	0.27	-3.33	Short Covering
GBPINR	27-Feb-24	0.27	35.42	Fresh Buying
JPYINR	29-Jan-24	0.15	-1.87	Short Covering
JPYINR	27-Feb-24	0.14	3.47	Fresh Buying

Global Indices

Index	Last	%Chg
Nifty	21238.80	-1.54
Dow Jones	37905.45	-0.25
NASDAQ	15425.94	0.43
CAC	7388.04	-0.34
FTSE 100	7485.73	-0.03
Nikkei	36291.52	-0.62

International Currencies

Currency	Last	% Change
EURUSD	1.0857	0.00
GBPUSD	1.2687	-0.02
USDJPY	148.21	-0.04
USDCAD	1.3475	0.13
USDAUD	1.5223	0.22
USDCHF	86.98	0.01

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Technical Snapshot



SELL USDINR JAN @ 83.25 SL 83.4 TGT 83.1-83.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	83.1675	83.26	83.22	83.15	83.11	83.04
27-Feb-24	83.2500	83.34	83.30	83.23	83.19	83.12

Observations

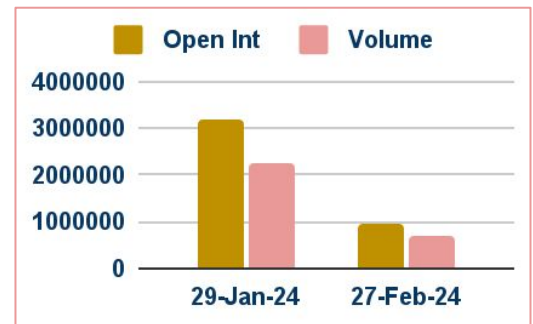
USDINR trading range for the day is 83.04-83.26.

Rupee weakened due to dollar demand from local oil companies and foreign banks

Government aims for a fiscal deficit to GDP ratio of 5.3% in FY25, but may miss the 5.9% target for FY24

India's foreign exchange reserves increased by \$1.6 billion to \$618.94 billion as of January 12, 2024

OI & Volume



Spread

Currency	Spread
USDINR FEB-JAN	0.0825

Technical Snapshot



SELL EURINR JAN @ 90.6 SL 90.8 TGT 90.4-90.2.

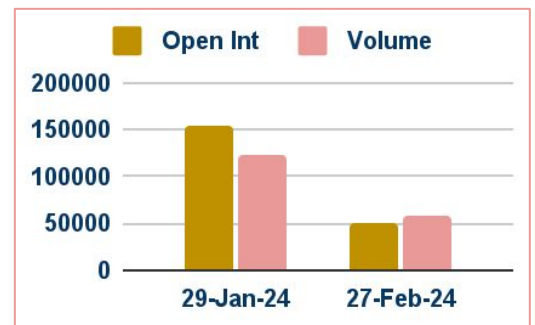
Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	90.4300	90.89	90.66	90.52	90.29	90.15
27-Feb-24	90.5900	91.01	90.80	90.67	90.46	90.33

Observations

EURINR trading range for the day is 90.15-90.89.
 Euro gains as risk sentiment improved as investors remained cautious ahead of ECB's policy decision
 ECB policymakers agreed that inflation would be brought back towards the 2% target in 2025
 The euro zone's current account surplus declined in November on lower primary income

OI & Volume



Spread

Currency	Spread
EURINR FEB-JAN	0.1600

Technical Snapshot



SELL GBPINR JAN @ 105.7 SL 106 TGT 105.4-105.2.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	105.6625	106.01	105.83	105.72	105.54	105.43
27-Feb-24	105.7525	106.16	105.96	105.78	105.58	105.40

Observations

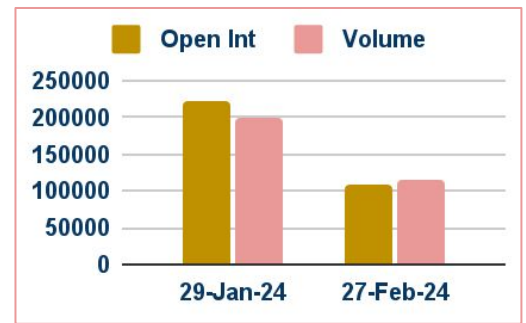
GBPINR trading range for the day is 105.43-106.01.

GBP gains as BoE is expected to maintain its current restrictive policy stance.

The escalated geopolitical situation improves the risk aversion sentiment and increases the demand for Dollar.

Public sector net borrowing, excluding public sector banks in the UK, narrowed to £7.8 billion in December 2023

OI & Volume



Spread

Currency	Spread
GBPINR FEB-JAN	0.0900

Technical Snapshot



SELL JPYINR JAN @ 56.4 SL 56.6 TGT 56.2-56.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	56.3225	56.89	56.61	56.34	56.06	55.79
27-Feb-24	56.6825	57.22	56.95	56.70	56.43	56.18

Observations

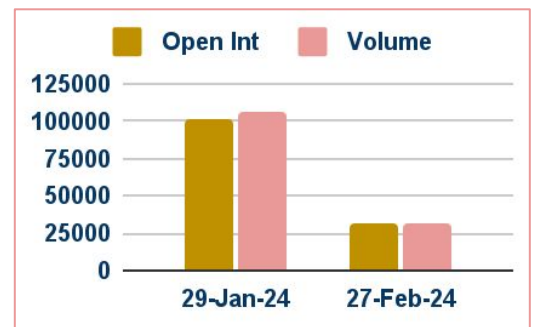
JPYINR trading range for the day is 55.79-56.89.

JPY gains as BOJ Governor latest remarks revived speculation about a possible shift in the country's monetary policy.

BOJ kept its key short-term interest rate at -0.1% and retained the 1% upper limit on the 10-year Japanese government bond yield

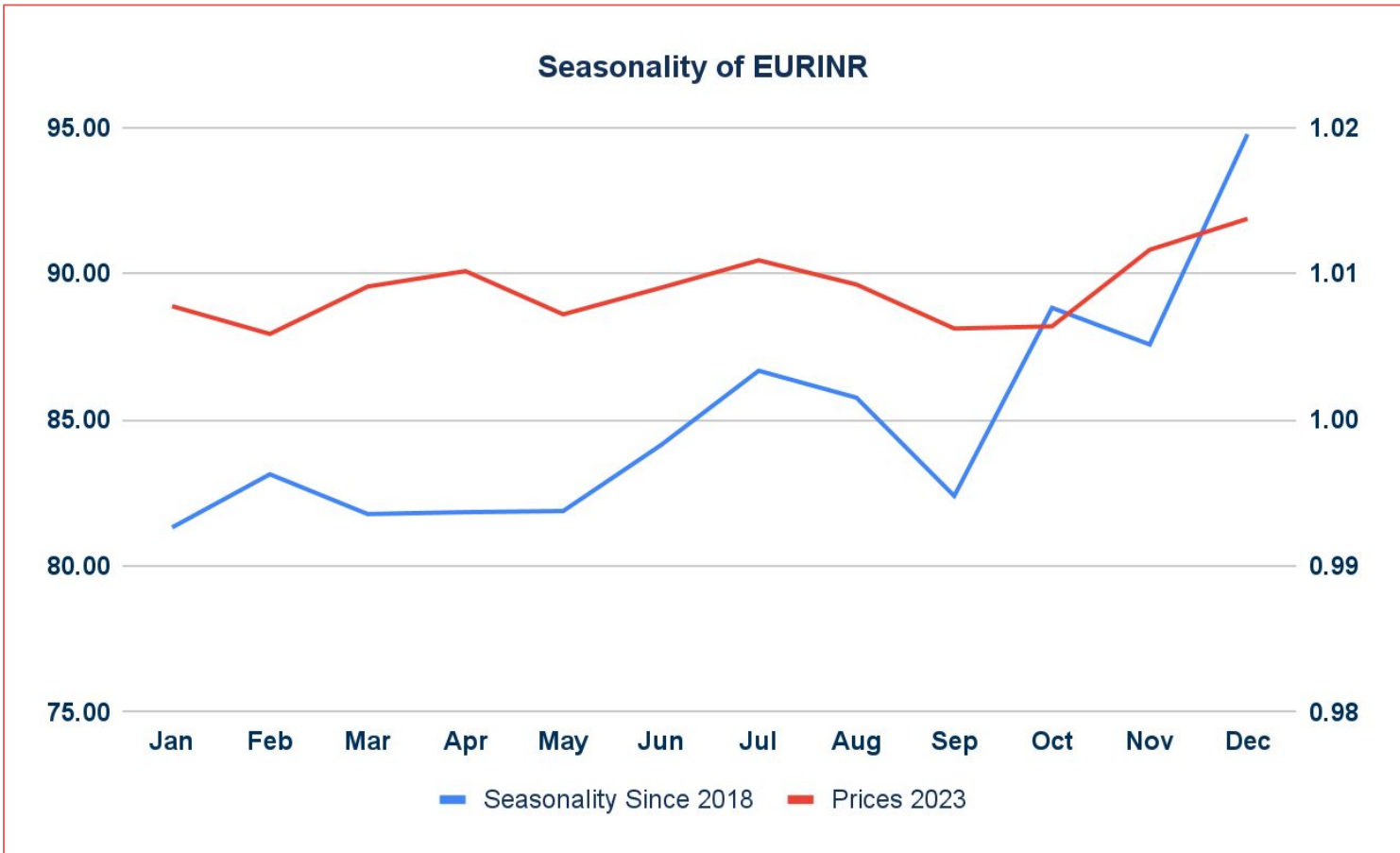
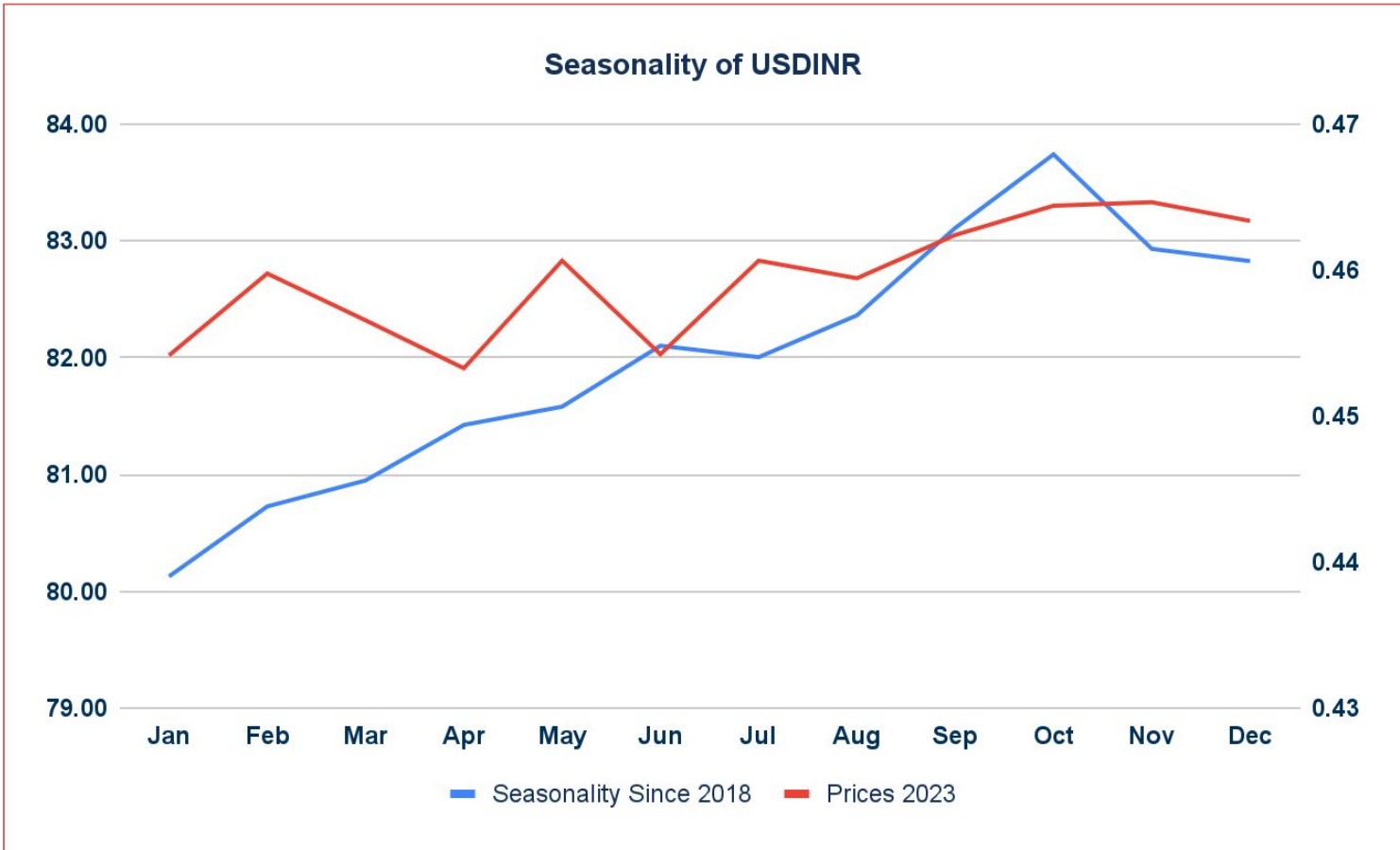
The central bank also refrained from making any comments about a possible shift in monetary policy this year.

OI & Volume



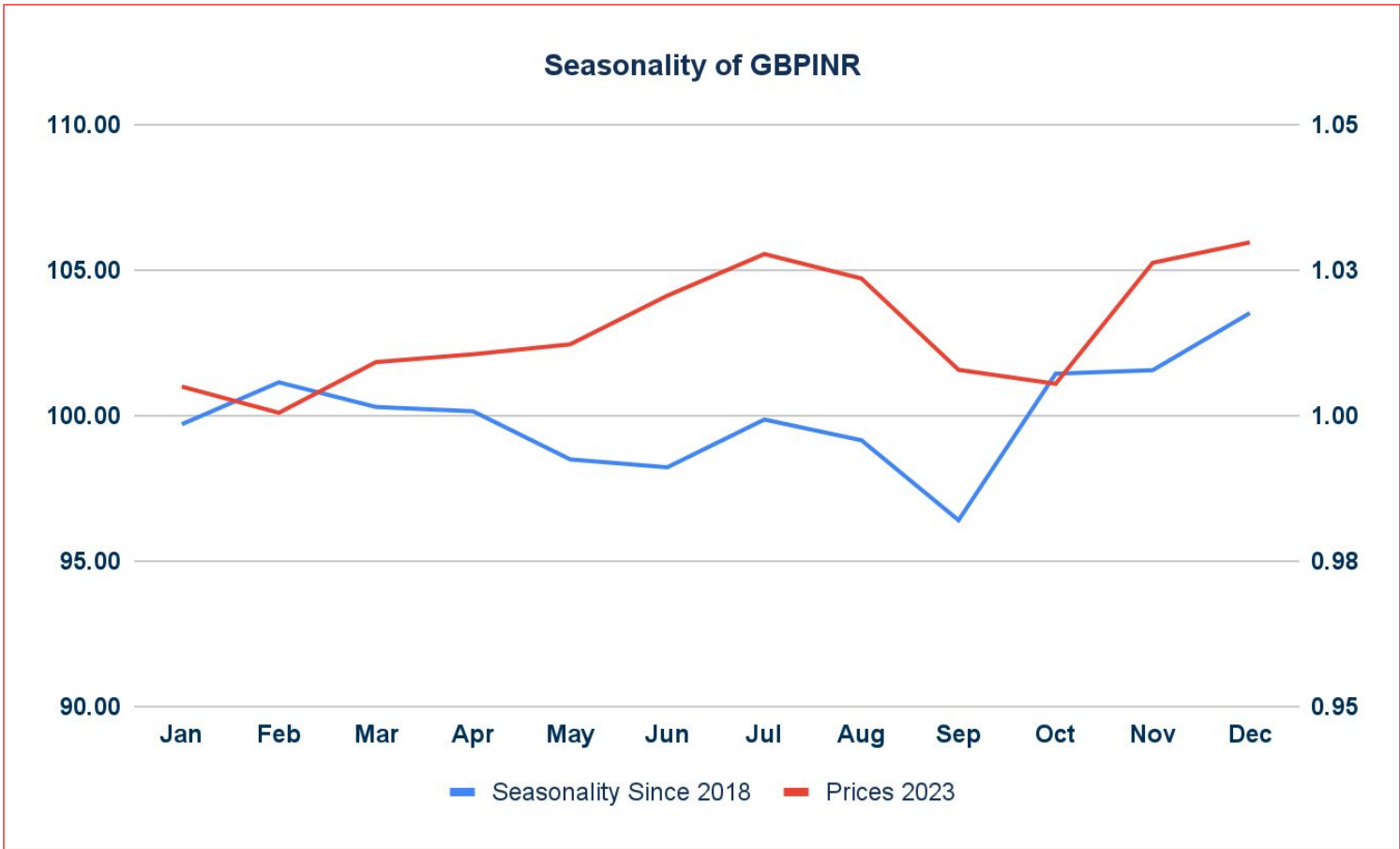
Spread

Currency	Spread
JPYINR FEB-JAN	0.3600



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Economic Data

Date	Curr.	Data
Jan 22	USD	CB Leading Index m/m
Jan 23	EUR	Consumer Confidence
Jan 23	USD	Richmond Manufacturing Index
Jan 24	EUR	French Flash Manufacturing PMI
Jan 24	EUR	French Flash Services PMI
Jan 24	EUR	German Flash Manufacturing PMI
Jan 24	EUR	German Flash Services PMI
Jan 24	EUR	Flash Manufacturing PMI
Jan 24	EUR	Flash Services PMI
Jan 24	USD	Flash Manufacturing PMI
Jan 24	USD	Flash Services PMI
Jan 24	USD	Crude Oil Inventories
Jan 25	EUR	German ifo Business Climate
Jan 25	EUR	Main Refinancing Rate
Jan 25	USD	Advance GDP q/q

Date	Curr.	Data
Jan 25	USD	Unemployment Claims
Jan 25	USD	Advance GDP Price Index q/q
Jan 25	USD	Core Durable Goods Orders m/m
Jan 25	USD	Durable Goods Orders m/m
Jan 25	USD	Goods Trade Balance
Jan 25	EUR	Belgian NBB Business Climate
Jan 25	USD	New Home Sales
Jan 25	USD	Natural Gas Storage
Jan 26	EUR	German GfK Consumer Climate
Jan 26	EUR	M3 Money Supply y/y
Jan 26	EUR	Private Loans y/y
Jan 26	USD	Core PCE Price Index m/m
Jan 26	USD	Personal Income m/m
Jan 26	USD	Personal Spending m/m
Jan 26	USD	Pending Home Sales m/m

News

China's capital city Beijing has set a growth target of around 5% for 2024, surpassing last year's target of above 4.5%, despite expectations of slower growth for the national economy. The economy of the capital city expanded 5.2% in 2023, in line with the national economy, which has so far posted feeble post-pandemic growth amid a deepening property crisis, mounting local government debt and persistent deflationary risks. "The target of around 5% is needed to stabilise expectations and boost confidence, to achieve important livelihood goals such as employment and household income," the Beijing Daily reported on Sunday, citing an unnamed government official. "But a growth rate of around 5% is still very challenging, and achieving the goal requires arduous efforts," the official said. Beijing aims to control its survey-based urban jobless rate below 5% this year. China's 2023 economic growth, which was slightly ahead of the annual target of around 5%, was partly helped by the previous year's low-base effect amid COVID-19 lockdowns. Chinese leaders have made boosting confidence in the economy a top policy priority, as businesses and consumers are wary of job security, income growth and the housing market.

U.S. consumer sentiment improved in January, hitting the highest level in 2-1/2 years amid growing optimism over the outlook for inflation and household incomes, which bodes well for the economy's prospects this year. The better-than-expected reading in sentiment reported by the University of Michigan reflected a brightening of moods across all age and income groups, education and geographical locations as well as political affiliation. It suggested that Americans were finally warming up to the economy's resilience after much anxiety over high inflation, which has weighed on President Joe Biden's popularity. Consumers' inflation expectations over the next 12 months were the lowest in three years, good news for the Federal Reserve. The index has now rebounded nearly 60% after plumbing record lows in June 2022. It is now just 7% shy of the historical average since 1978. Easing inflation expectations support economists' views that the U.S. central bank will start cutting interest rates sometime in the first half of this year. Since March 2022, the Fed has hiked its policy rate by 525 basis points to the current 5.25%-5.50% range.

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