

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

19 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	83.2575	83.2950	83.2275	83.2850	0.03
USDINR	28-Nov-23	83.3200	83.3800	83.3175	83.3725	0.03
EURINR	27-Oct-23	88.0650	88.2450	87.9400	87.9650	-0.06
EURINR	28-Nov-23	88.2325	88.4350	88.1225	88.1500	-0.06
GBPINR	27-Oct-23	101.3825	101.7100	101.3450	101.4925	0.13
GBPINR	28-Nov-23	101.5000	101.8200	101.4900	101.6300	0.12
JPYINR	27-Oct-23	55.8000	55.8075	55.7150	55.7750	-0.14
JPYINR	28-Nov-23	56.1625	56.2200	56.1025	56.1475	-0.12

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	27-Oct-23	0.03	-3.06	Short Covering
USDINR	28-Nov-23	0.03	7.72	Fresh Buying
EURINR	27-Oct-23	-0.06	-0.47	Long Liquidation
EURINR	28-Nov-23	-0.06	20.66	Fresh Selling
GBPINR	27-Oct-23	0.13	-3.12	Short Covering
GBPINR	28-Nov-23	0.12	-6.34	Short Covering
JPYINR	27-Oct-23	-0.14	0.79	Fresh Selling
JPYINR	28-Nov-23	-0.12	9.78	Fresh Selling

Global Indices

Index	Last	%Chg
Nifty	19671.10	-0.71
Dow Jones	33665.08	-0.98
NASDAQ	13314.30	-1.62
CAC	6965.99	-0.91
FTSE 100	7588.00	-1.14
Nikkei	31498.37	-1.70

International Currencies

Currency	Last	% Change
EURUSD	1.0537	-0.01
GBPUSD	1.2135	-0.06
USDJPY	149.82	0.03
USDCAD	1.3729	0.11
USDAUD	1.5873	0.51
USDCHF	89.92	0.04

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Technical Snapshot



SELL USDINR OCT @ 83.4 SL 83.55 TGT 83.25-83.12.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	83.2850	83.33	83.31	83.27	83.25	83.21
28-Nov-23	83.3725	83.42	83.40	83.36	83.34	83.30

Observations

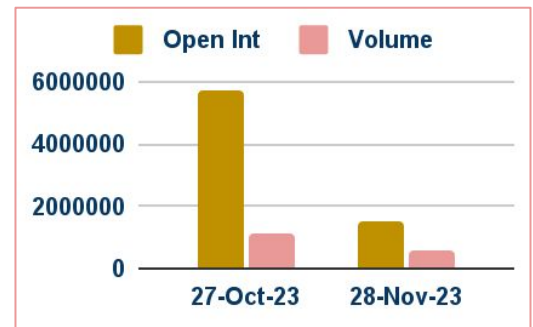
USDINR trading range for the day is 83.21-83.33.

Rupee closed unchanged as likely U.S. dollar sales by RBI kept the local unit off its record low.

Capex to rise 29% for 13 states, fiscal deficit to widen in FY24: Icra

GDP growth estimated at 6.3 per cent for 2023-24: FICCI Economic Outlook Survey

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.0875

Technical Snapshot



SELL EURINR OCT @ 88 SL 88.2 TGT 87.75-87.6.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	87.9650	88.35	88.16	88.05	87.86	87.75
28-Nov-23	88.1500	88.55	88.36	88.24	88.05	87.93

Observations

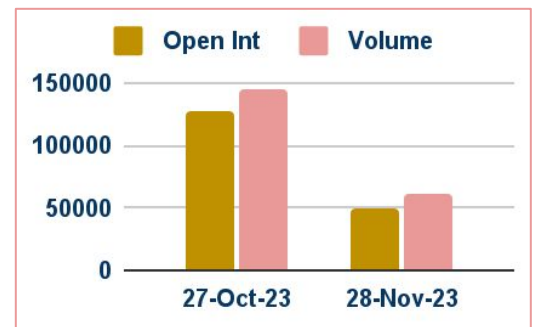
EURINR trading range for the day is 87.75-88.35.

Euro steadied as investors balanced concerns about the escalating conflict in the Middle East

Eurozone labour market shows no sign of weakening: Lagarde

Euro zone financial stability fragile as growth stagnates – ECB

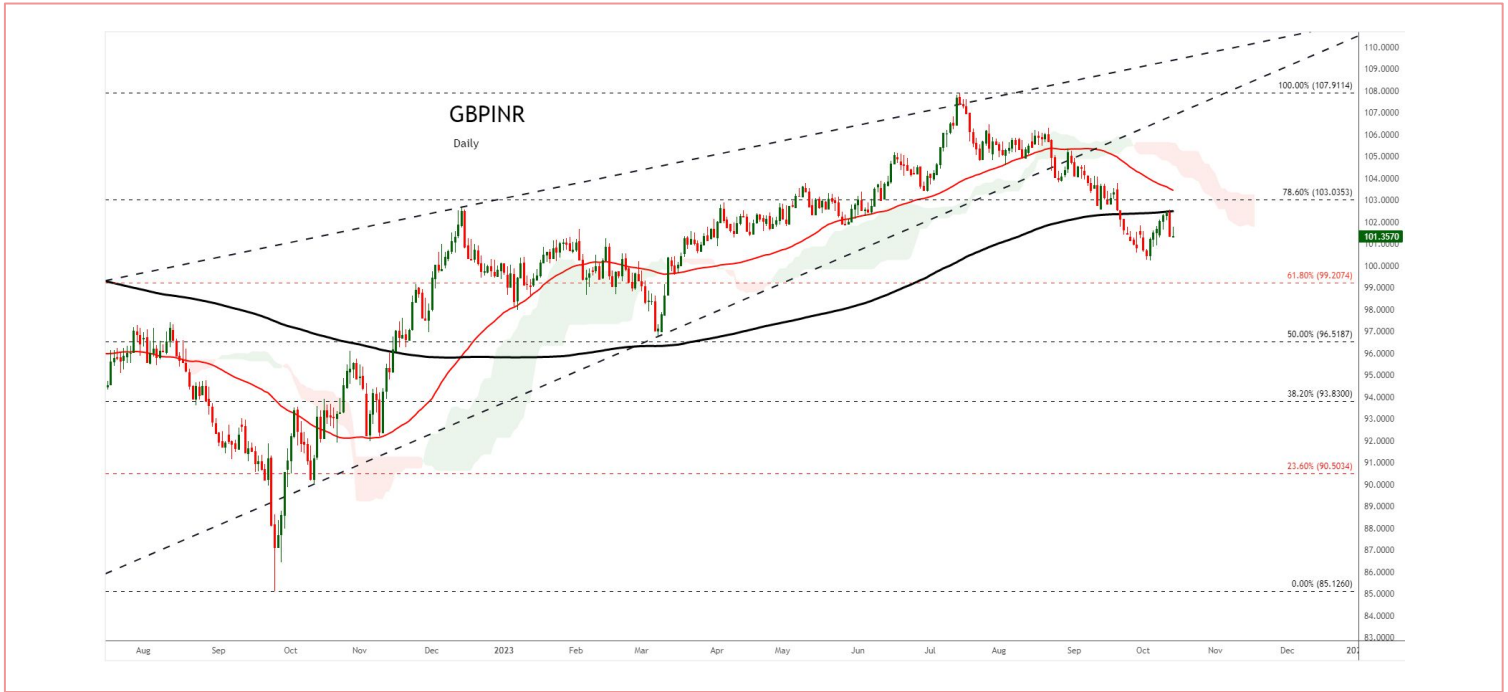
OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.0875

Technical Snapshot



SELL GBPINR OCT @ 101.5 SL 101.78 TGT 101.2-101.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	101.4925	101.89	101.70	101.52	101.33	101.15
28-Nov-23	101.6300	101.98	101.81	101.65	101.48	101.32

Observations

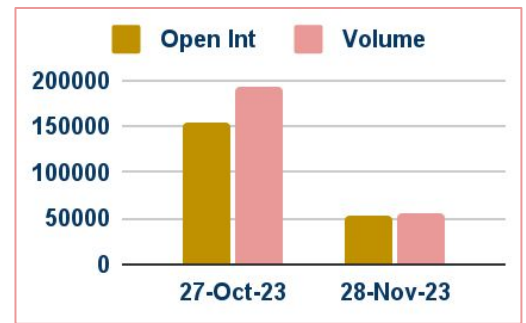
GBPINR trading range for the day is 101.15-101.89.

GBP gained after following UK data indicating that inflation remained high in September

Data showed UK inflation held at 6.7% in September, but above expectations for a retreat to 6.6%.

Labor data revealed that overall pay growth in the UK decelerated from 8.5% to 8.1%

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.0875

Technical Snapshot



SELL JPYINR OCT @ 55.8 SL 56 TGT 55.6-55.45.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	55.7750	55.87	55.83	55.77	55.73	55.67
28-Nov-23	56.1475	56.28	56.22	56.16	56.10	56.04

Observations

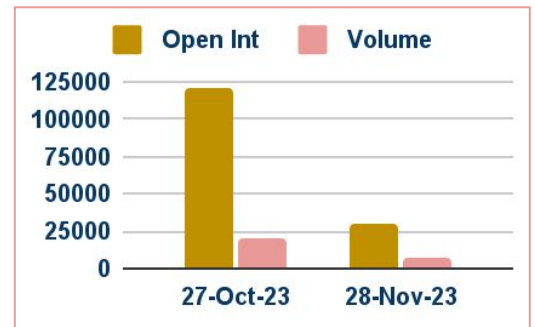
JPYINR trading range for the day is 55.67-55.87.

JPY dropped on immense pressure from the dollar as strong US economic data reinforced the view that the Federal Reserve will keep interest rates higher.

Industrial production in Japan dropped by 0.7% mom in August 2023.

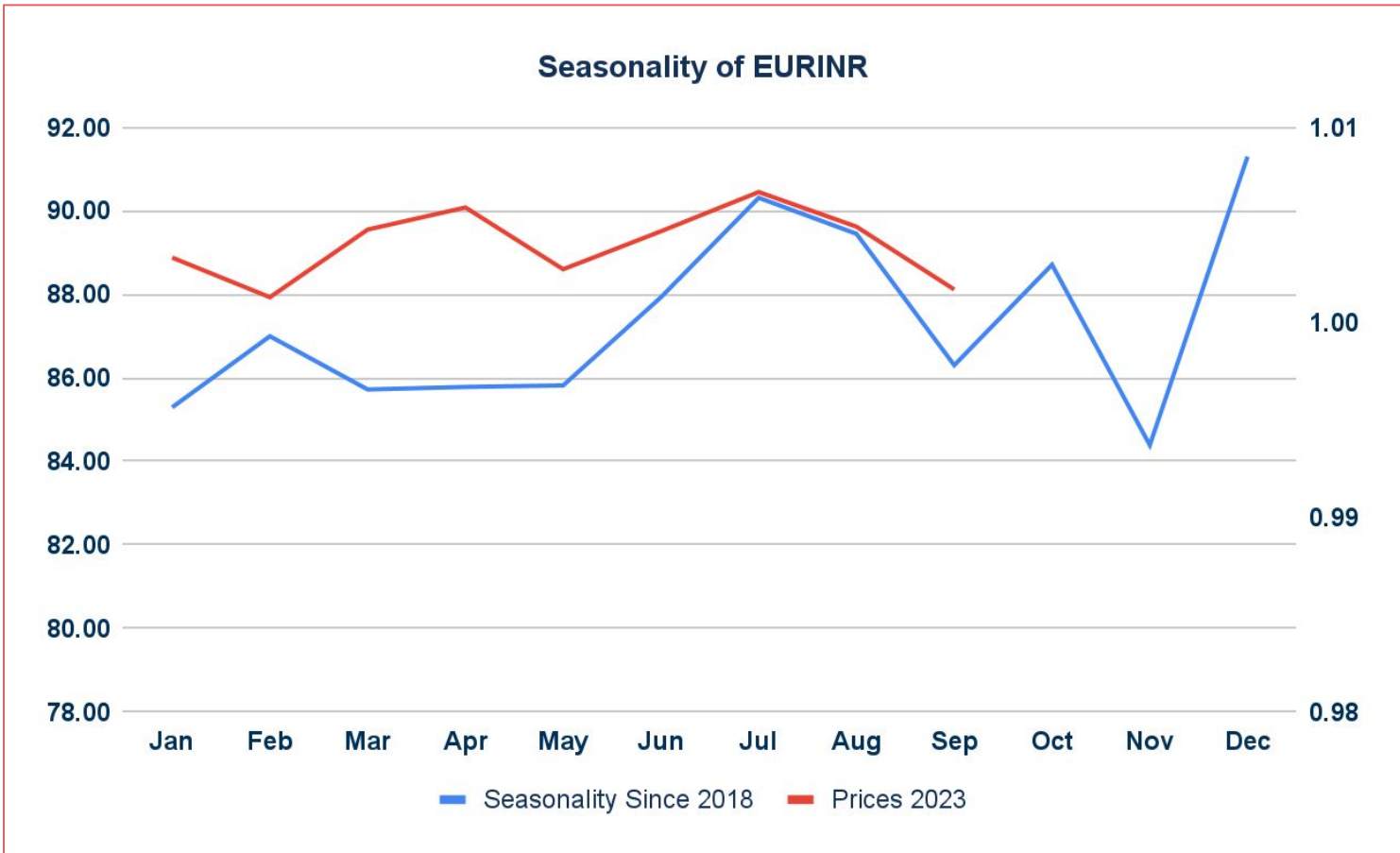
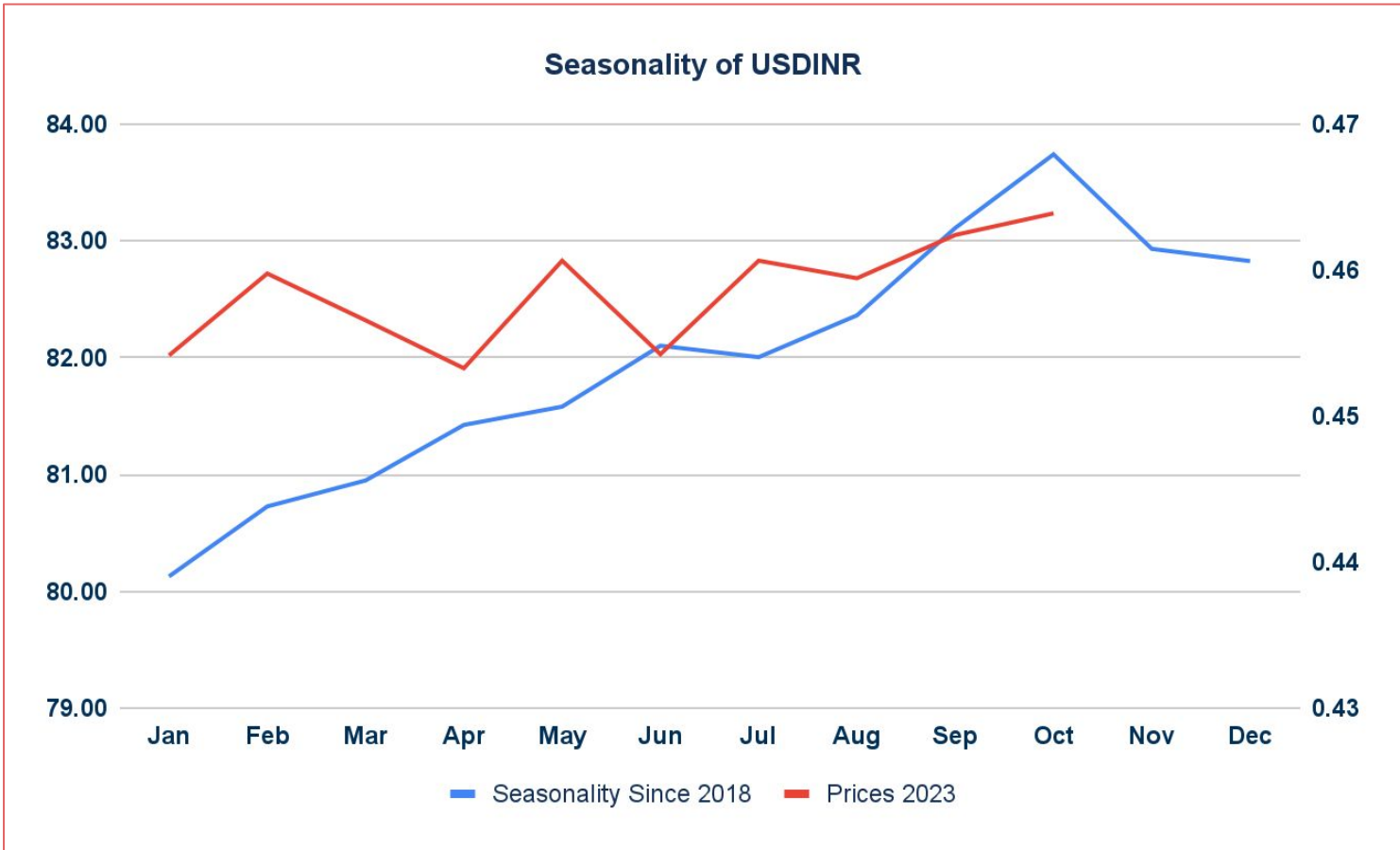
Investors look ahead to Federal Reserve Chair Jerome Powell's speech to guide the monetary policy outlook

OI & Volume



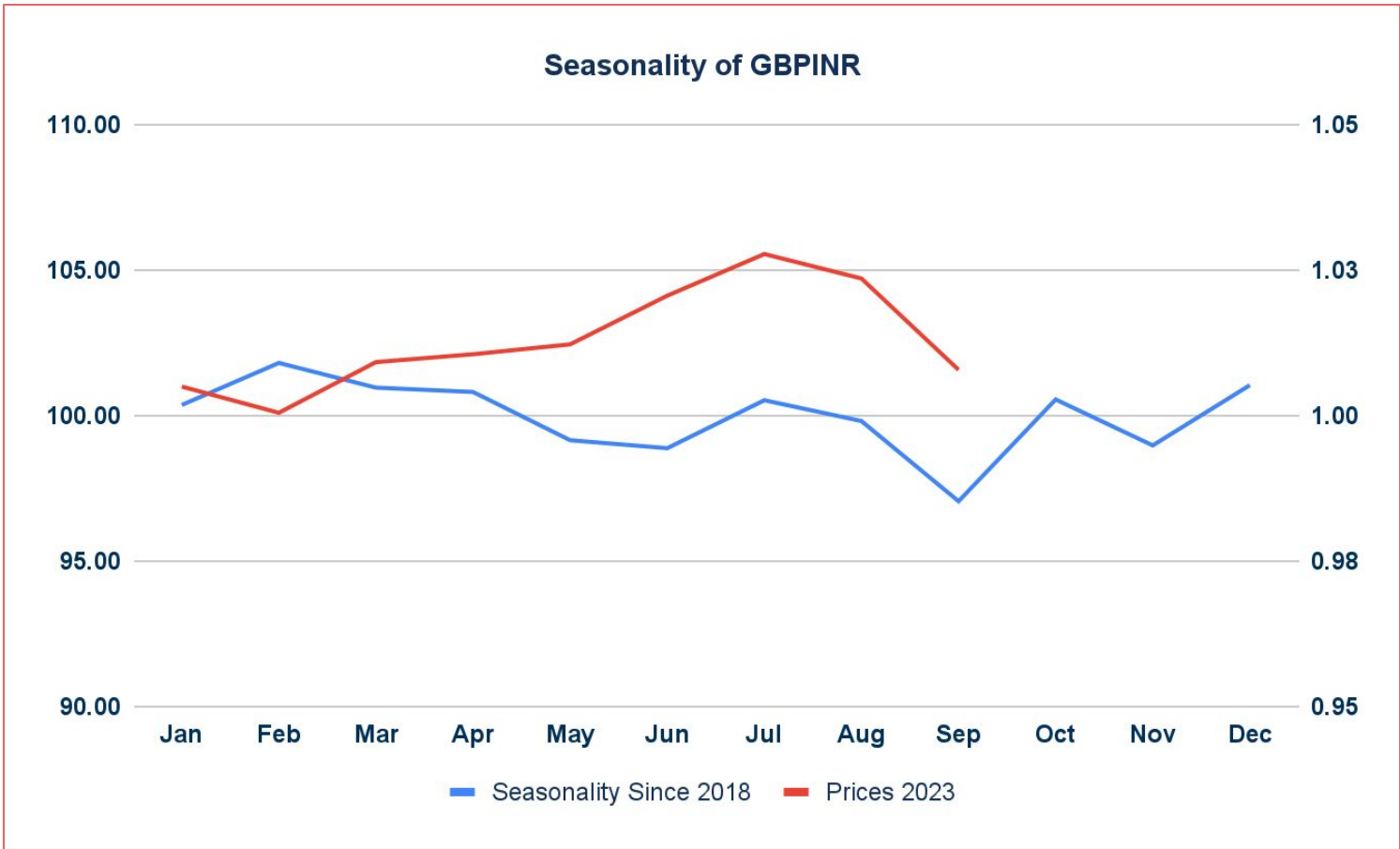
Spread

Currency	Spread
USDINR NOV-OCT	0.0875



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Economic Data

Date	Curr.	Data	Date	Curr.	Data
Oct 16	EUR	Trade Balance	Oct 18	EUR	Final Core CPI y/y
Oct 16	USD	Empire State Manufacturing Index	Oct 18	EUR	Final CPI y/y
Oct 16	USD	FOMC Member Harker Speaks	Oct 18	USD	Building Permits
Oct 17	USD	FOMC Member Harker Speaks	Oct 18	USD	Housing Starts
Oct 17	EUR	German ZEW Economic Sentiment	Oct 18	USD	Crude Oil Inventories
Oct 17	EUR	ZEW Economic Sentiment	Oct 19	USD	FOMC Member Harker Speaks
Oct 17	USD	FOMC Member Williams Speaks	Oct 19	EUR	Current Account
Oct 17	USD	Core Retail Sales m/m	Oct 19	USD	Unemployment Claims
Oct 17	USD	Retail Sales m/m	Oct 19	USD	Philly Fed Manufacturing Index
Oct 17	USD	Industrial Production m/m	Oct 19	USD	Existing Home Sales
Oct 17	USD	Capacity Utilization Rate	Oct 19	USD	CB Leading Index m/m
Oct 17	USD	Business Inventories m/m	Oct 19	USD	Natural Gas Storage
Oct 17	USD	NAHB Housing Market Index	Oct 19	USD	Fed Chair Powell Speaks
Oct 18	USD	TIC Long-Term Purchases	Oct 19	USD	FOMC Member Goolsbee Speaks
Oct 18	EUR	Italian Trade Balance	Oct 20	EUR	German PPI m/m

News

Divided European Central Bank policymakers opted for raising interest rates at their latest meeting to show resolve in the fight against inflation even though evidence was inconclusive, the account of the gathering showed. The ECB raised its key interest rate to a record high of 4.0% at the Sept 13-14 meeting but signalled that its 10th hike in a 14-month-long effort to bring down inflation was likely to be the last as the economy slowed. The ECB's account of the meeting showed the decision was a "close call" given "considerable uncertainty", with some indicators suggesting a 3.75% deposit rate might have also done the job. But in the end the proposal to raise interest rates by 25 basis point was supported by "a solid majority" of the 26 members of the Governing Council. "Erring on the side of pausing the first time the decision was a close call could risk being interpreted as a weakening of the ECB's determination, especially at a time when headline and core inflation were above 5%," the ECB said. Policymakers noted that "model-based simulations, expert surveys and market pricing" suggested a deposit facility rate in the region of 3.75% to 4.00% would bring inflation back to 2% "as long as it was understood as being maintained for a sufficiently long duration".

Construction output in the UK expanded by 2.3% year-on-year in August 2023, the smallest increase since May, following an upwardly revised 3.2% gain in the previous month and fell short of market expectations, which were at 2.6%. Compared to the previous month, construction output fell by 0.5% in August, after an upwardly revised 0.4% drop in July. Industrial production in the UK shrank 0.7% month-on-month in August 2023, slowing from a one-year low of 1.1% drop in July but coming more than market estimates of a 0.2% fall. Output decreased for three of the four industry groups namely, manufacturing (-0.8% vs -1.2% in July), electricity, gas, steam & air conditioning (-1.8% vs -0.5%), and water supply (-1.6% vs -1.4%). On the other hand, production accelerated for mining & quarrying (2.9%), after stalling in the previous month. Year-on-year, industrial activity rose 1.3%, up from a prior 1% rise and marking the third consecutive month of growth after a year-and-a-half long of successive contractions.

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