

KEDIA ADVISORY

# DAILY CURRENCY OUTLOOK

03 Jan 2024

- USDINR
- EURINR
- GBPINR
- JPYINR



Kedia Stocks & Commodities Research Pvt. Ltd.

Research Advisory | White Labelling | Digital Marketing



## Domestic Currencies

Currency	Expiry	Open	High	Low	Close	% Change
USDINR	29-Jan-24	83.3250	83.4275	83.3250	83.4025	0.13
USDINR	27-Feb-24	83.4125	83.5050	83.4050	83.4800	0.13
EURINR	29-Jan-24	91.9700	92.1050	91.6350	91.7150	-0.46
EURINR	27-Feb-24	92.0775	92.2300	91.7750	91.8500	-0.43
GBPINR	29-Jan-24	105.9275	106.3900	105.6375	105.7200	-0.20
GBPINR	27-Feb-24	105.9950	106.4425	105.7200	105.7975	-0.18
JPYINR	29-Jan-24	59.0675	59.2475	59.0325	59.0875	0.03
JPYINR	27-Feb-24	59.4075	59.5925	59.3775	59.4300	0.04

## Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	29-Jan-24	0.13	5.86	Fresh Buying
USDINR	27-Feb-24	0.13	10.25	Fresh Buying
EURINR	29-Jan-24	-0.46	-10.95	Long Liquidation
EURINR	27-Feb-24	-0.43	-10.79	Long Liquidation
GBPINR	29-Jan-24	-0.20	-6.99	Long Liquidation
GBPINR	27-Feb-24	-0.18	-2.56	Long Liquidation
JPYINR	29-Jan-24	0.03	0.45	Fresh Buying
JPYINR	27-Feb-24	0.04	-10.72	Short Covering

## Global Indices

Index	Last	%Chg
Nifty	21665.80	-0.35
Dow Jones	37715.04	0.07
NASDAQ	14765.94	-1.63
CAC	7530.86	-0.16
FTSE 100	7721.52	-0.15
Nikkei	33464.17	-0.22

## International Currencies

Currency	Last	% Change
EURUSD	1.0951	0.09
GBPUSD	1.2628	0.04
USDJPY	142.03	-0.09
USDCAD	1.3329	0.05
USDAUD	1.4802	0.14
USDCHF	84.98	-0.05

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### Technical Snapshot



**BUY USDINR JAN @ 83.3 SL 83.16 TGT 83.45-83.55.**

### Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	83.4025	83.50	83.46	83.39	83.35	83.28
27-Feb-24	83.4800	83.56	83.52	83.46	83.42	83.36

### Observations

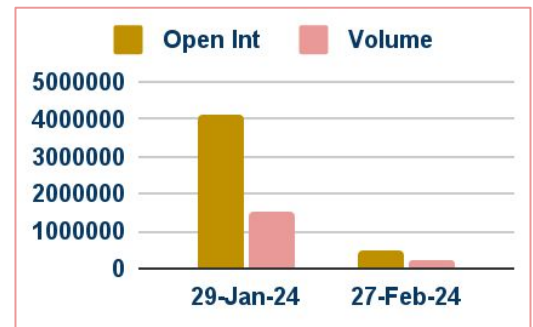
USDINR trading range for the day is 83.28-83.5.

Rupee ended weaker pressured by U.S. dollar demand from oil companies and foreign banks.

Finance Ministry said India's economy is expected to surpass the government's growth estimate of 6.5% in FY24.

The US labor data, including US Nonfarm Payrolls (NFP), will be in the spotlight this week.

### OI & Volume



### Spread

Currency	Spread
USDINR FEB-JAN	0.0775

Technical Snapshot



**SELL EURINR JAN @ 91.7 SL 91.9 TGT 91.5-91.3.**

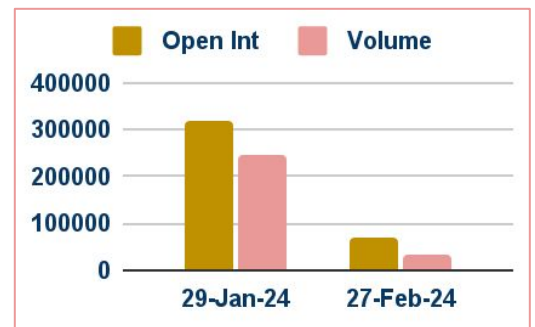
Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	91.7150	92.29	92.01	91.82	91.54	91.35
27-Feb-24	91.8500	92.41	92.13	91.95	91.67	91.49

Observations

EURINR trading range for the day is 91.35-92.29.  
 Euro falls as euro zone factory activity contracts for 18th month.  
 Euro zone bank lending remained weak in November, ECB data shows  
 ECB member cautious on lowering borrowing costs, inflation goal not met.

OI & Volume



Spread

Currency	Spread
EURINR FEB-JAN	0.1350

## 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	105.7200	106.67	106.20	105.92	105.45	105.17
27-Feb-24	105.7975	106.71	106.26	105.99	105.54	105.27

### Observations

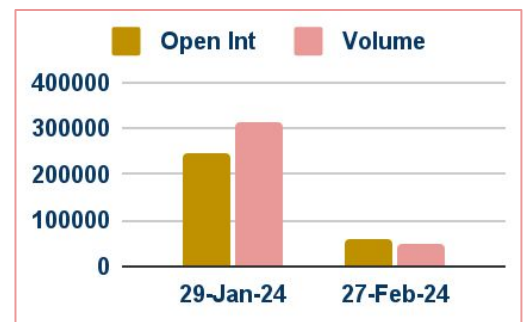
GBPINR trading range for the day is 105.17-106.67.

GBP loses gains as UK manufacturing sector sees setback in growth.

UK factory activities could be lower-than-projected due to festive mood.

The BoE may start reducing interest rates earlier due to deepening recession fears.

### OI & Volume



### Spread

Currency	Spread
GBPINR FEB-JAN	0.0775

### Technical Snapshot



**SELL JPYINR JAN @ 59.1 SL 59.3 TGT 58.85-58.65.**

### Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	59.0875	59.34	59.21	59.12	58.99	58.90
27-Feb-24	59.4300	59.68	59.56	59.47	59.35	59.26

### Observations

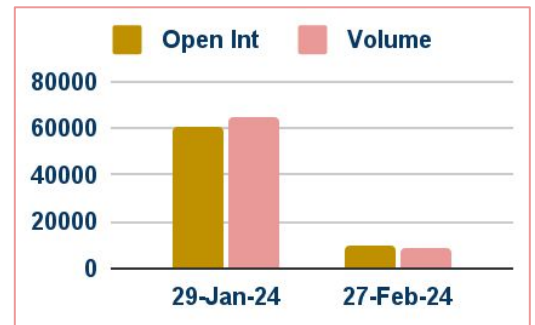
JPYINR trading range for the day is 58.9-59.34.

JPY remained in range as investors stayed on the sidelines amid ongoing market holidays in Japan.

BoJ minutes show agreement to maintain easy policy and undermine JPY.

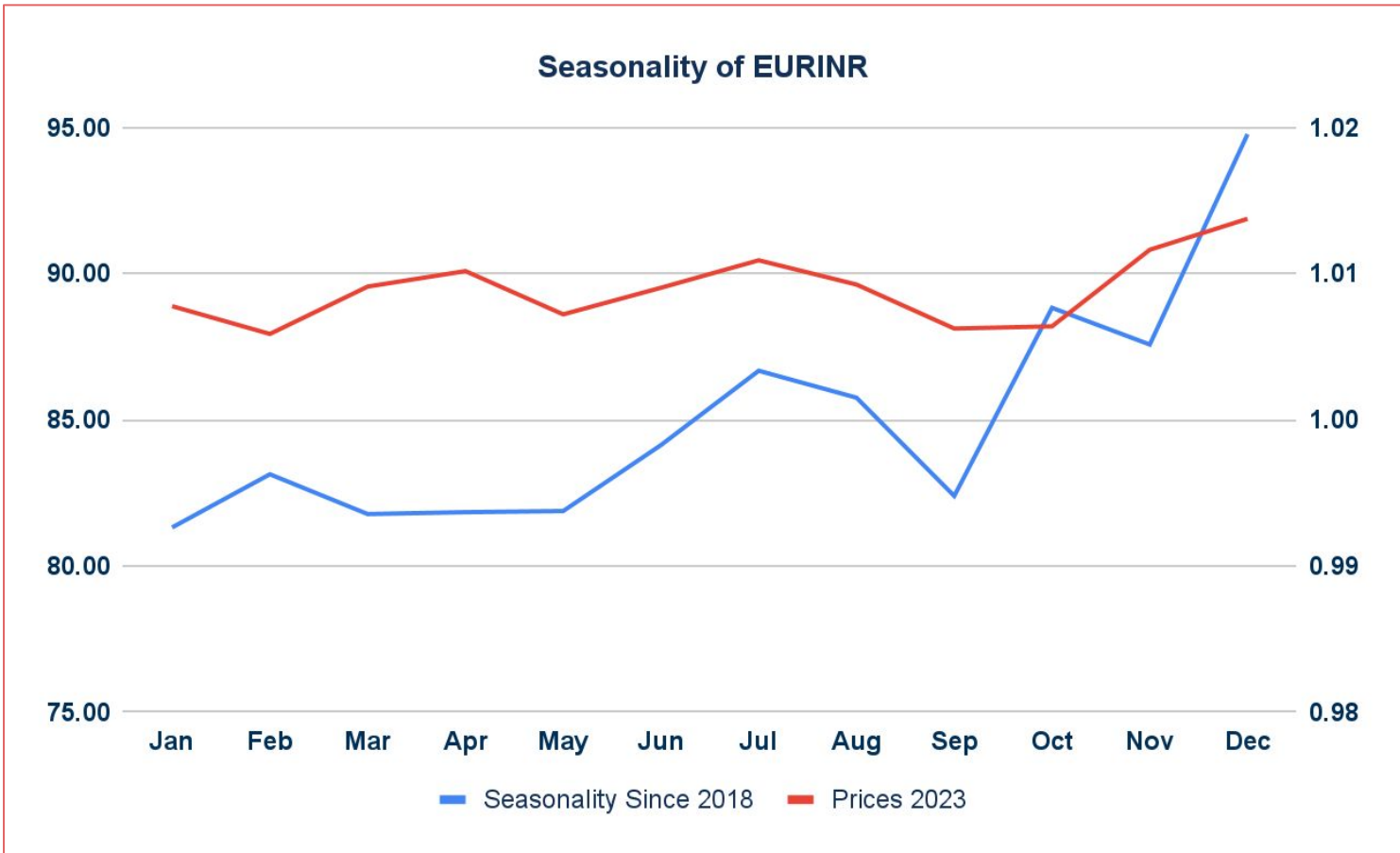
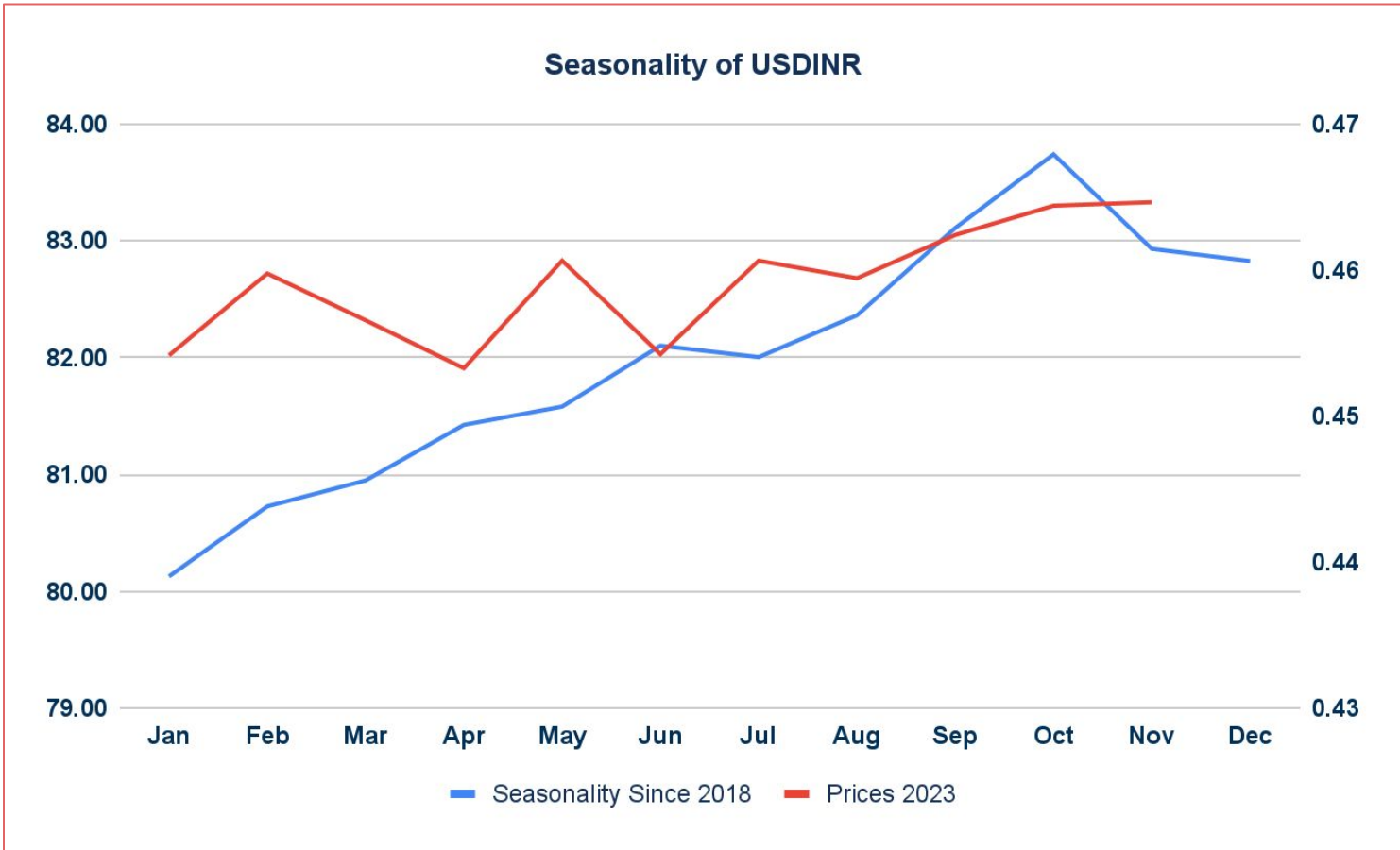
Wage growth and market expectations suggest BoJ may pivot away from ultra-dovish stance.

### OI & Volume



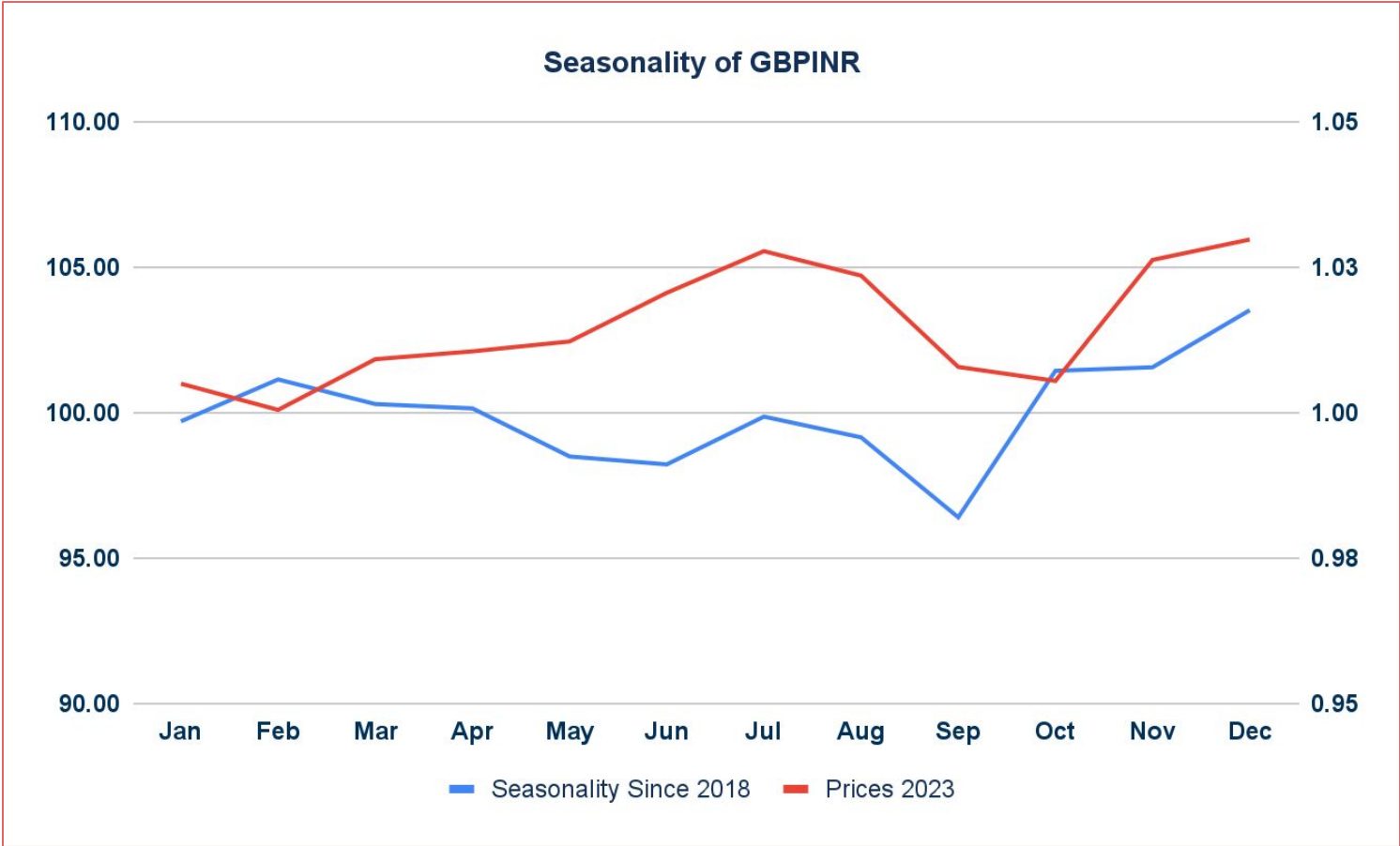
### Spread

Currency	Spread
JPYINR FEB-JAN	0.3425



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## Economic Data

Date	Curr.	Data
Jan 2	EUR	Spanish Manufacturing PMI
Jan 2	EUR	German Final Manufacturing PMI
Jan 2	EUR	Final Manufacturing PMI
Jan 2	EUR	M3 Money Supply y/y
Jan 2	USD	Final Manufacturing PMI
Jan 2	USD	Construction Spending m/m
Jan 3	EUR	Spanish Unemployment Change
Jan 3	EUR	German Unemployment Change
Jan 3	USD	FOMC Member Barkin Speaks
Jan 3	USD	ISM Manufacturing PMI
Jan 3	USD	JOLTS Job Openings
Jan 3	USD	ISM Manufacturing Prices
Jan 4	USD	FOMC Meeting Minutes
Jan 4	EUR	German Final Services PMI
Jan 4	EUR	Final Services PMI

Date	Curr.	Data
Jan 4	USD	Challenger Job Cuts y/y
Jan 4	USD	ADP Non-Farm Change
Jan 4	USD	Unemployment Claims
Jan 4	USD	Final Services PMI
Jan 4	USD	Natural Gas Storage
Jan 4	USD	Crude Oil Inventories
Jan 5	EUR	German Retail Sales m/m
Jan 5	EUR	Core CPI Flash Estimate y/y
Jan 5	EUR	CPI Flash Estimate y/y
Jan 5	EUR	PPI m/m
Jan 5	USD	Average Hourly Earnings m/m
Jan 5	USD	Non-Farm Employment Change
Jan 5	USD	Unemployment Rate
Jan 5	USD	ISM Services PMI
Jan 5	USD	Factory Orders m/m

## News

Asia's factory activity weakened in December, portending a shaky start for the region's manufacturing powerhouses in 2024 as China's patchy economic recovery impeded a broader revival in demand. A range of purchasing managers' indexes (PMIs) published by S&P Global showed factory activity continuing to decline in most Asian economies at the end of last year and confidence broadly sagging. The struggles for Asia's tech-heavy economies persisted with South Korean factory activity dipping back into decline and Taiwan extending its contraction for the 19th straight month, the PMIs showed. China's Caixin PMI showed an unexpected acceleration in activity in December, although this contrasted with Beijing's official PMI that remained in contraction territory for the third straight month. Beijing has in recent months introduced a series of policies to shore up a feeble post-pandemic recovery, but the world's second-largest economy is struggling to gain momentum amid a severe property slump, local government debt risks and soft global demand. Elsewhere in Asia, PMIs showed activity in Malaysia's and Vietnam's factory sectors remained in contractionary mode, although it accelerated slightly in Indonesia.

China's factory activity expanded at a quicker pace in December due to stronger gains in output and new orders, but business confidence for 2024 remained subdued, a private-sector survey showed. The Caixin/S&P Global manufacturing PMI rose to 50.8 at the end of 2023 from 50.7 in November, marking the fastest expansion in seven months and surpassing forecasts of 50.4. The 50-point mark separates growth from contraction. The sprawling manufacturing sector came under pressure amid weak demand in 2023, with a property downturn, geopolitical factors and tight-fisted consumers all weighing on the post-pandemic recovery. Chinese top leaders at the end of last year pledged to adjust policy to support an economic recovery in 2024, while markets and investors are waiting for more stimulus measures to be rolled out. The Caixin PMI contrasted with official data that showed manufacturing activity shrinking at a faster pace and more than expected in December. Factory output in December rose at the quickest pace since May, while growth in new orders hit a 10-month high thanks to firmer demand and a pick up in customer spending at the year-end, according to the Caixin survey.

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