

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

22 Dec 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-Dec-23	83.2025	83.2975	83.1925	83.2675	0.07
USDINR	29-Jan-24	83.2700	83.3750	83.2700	83.3475	0.08
EURINR	27-Dec-23	91.0700	91.3525	91.0600	91.2400	0.19
EURINR	29-Jan-24	91.2425	91.4500	91.2425	91.4050	0.18
GBPINR	27-Dec-23	105.1100	105.3775	105.0375	105.3150	0.03
GBPINR	29-Jan-24	105.1600	105.4775	105.1575	105.4100	0.01
JPYINR	27-Dec-23	58.2250	58.3475	58.1375	58.2875	0.29
JPYINR	29-Jan-24	58.5850	58.7050	58.5125	58.6500	0.28

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	27-Dec-23	0.07	-2.89	Short Covering
USDINR	29-Jan-24	0.08	41.84	Fresh Buying
EURINR	27-Dec-23	0.19	-0.82	Short Covering
EURINR	29-Jan-24	0.18	9.06	Fresh Buying
GBPINR	27-Dec-23	0.03	-4.37	Short Covering
GBPINR	29-Jan-24	0.01	4.05	Fresh Buying
JPYINR	27-Dec-23	0.29	-5.05	Short Covering
JPYINR	29-Jan-24	0.28	6.09	Fresh Buying

Global Indices

Index	Last	%Chg
Nifty	21255.05	0.50
Dow Jones	37404.35	0.87
NASDAQ	14963.87	1.26
CAC	7571.40	-0.16
FTSE 100	7694.73	-0.27
Nikkei	33218.62	0.24

International Currencies

Currency	Last	% Change
EURUSD	1.0999	-0.06
GBPUSD	1.2685	0.02
USDJPY	142.46	0.27
USDCAD	1.3283	-0.01
USDAUD	1.4731	0.10
USDCHF	85.64	0.01

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Technical Snapshot



SELL USDINR DEC @ 83.3 SL 83.45 TGT 83.15-83.05.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	83.2675	83.36	83.31	83.25	83.20	83.14
29-Jan-24	83.3475	83.43	83.39	83.33	83.29	83.23

Observations

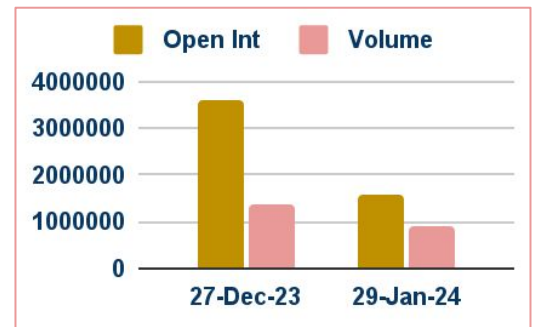
USDINR trading range for the day is 83.14-83.36.

Rupee declined as dollar demand from local oil companies weighed

The Reserve Bank of India's (RBI) monthly bulletin emphasized a strong warning on inflation.

Indian headline retail inflation rate rose 5.55% in November, worse than the market expectation.

OI & Volume



Spread

Currency	Spread
USDINR JAN-DEC	0.0800

Technical Snapshot



SELL EURINR DEC @ 91.6 SL 91.85 TGT 91.3-91.1.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	91.2400	91.51	91.38	91.22	91.09	90.93
29-Jan-24	91.4050	91.58	91.50	91.37	91.29	91.16

Observations

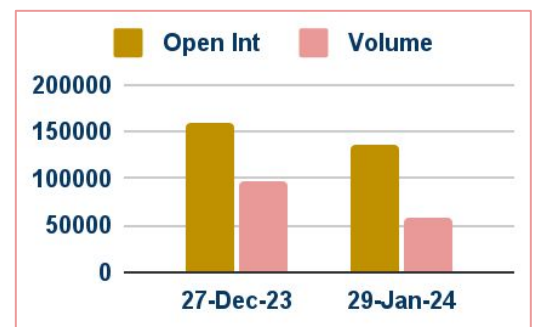
EURINR trading range for the day is 90.93-91.51.

Euro remained in range as traders assess both the economic and the monetary policy outlook.

ECB's de Guindos: too early to talk about interest rate cut

ECB's Villeroy suggested rates may decrease next year, aiming to bring inflation back to 2% by 2025 at the latest.

OI & Volume



Spread

Currency	Spread
EURINR JAN-DEC	0.1650

Technical Snapshot



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

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	105.3150	105.58	105.44	105.24	105.10	104.90
29-Jan-24	105.4100	105.67	105.54	105.35	105.22	105.03

Observations

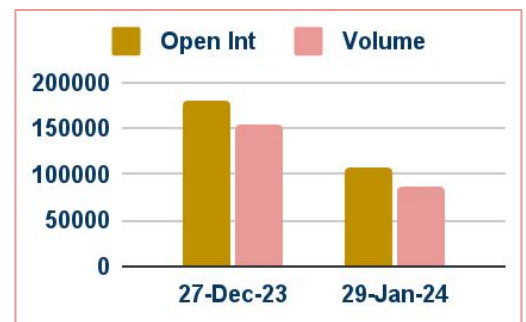
GBPINR trading range for the day is 104.9-105.58.

GBP steadied as traders digested the latest snapshot of the UK budget deficit

A steady US Dollar and increasing bets over upcoming BoE rate cut weighing.

BoE policymakers may continue favouring a restrictive policy stance until price stability is ensured

OI & Volume



Spread

Currency	Spread
GBPINR JAN-DEC	0.0950

Technical Snapshot



BUY JPYINR DEC @ 58.2 SL 58 TGT 58.45-58.6.

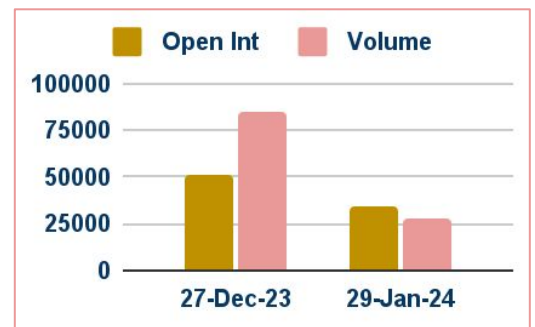
Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Dec-23	58.2875	58.47	58.38	58.26	58.17	58.05
29-Jan-24	58.6500	58.81	58.73	58.62	58.54	58.43

Observations

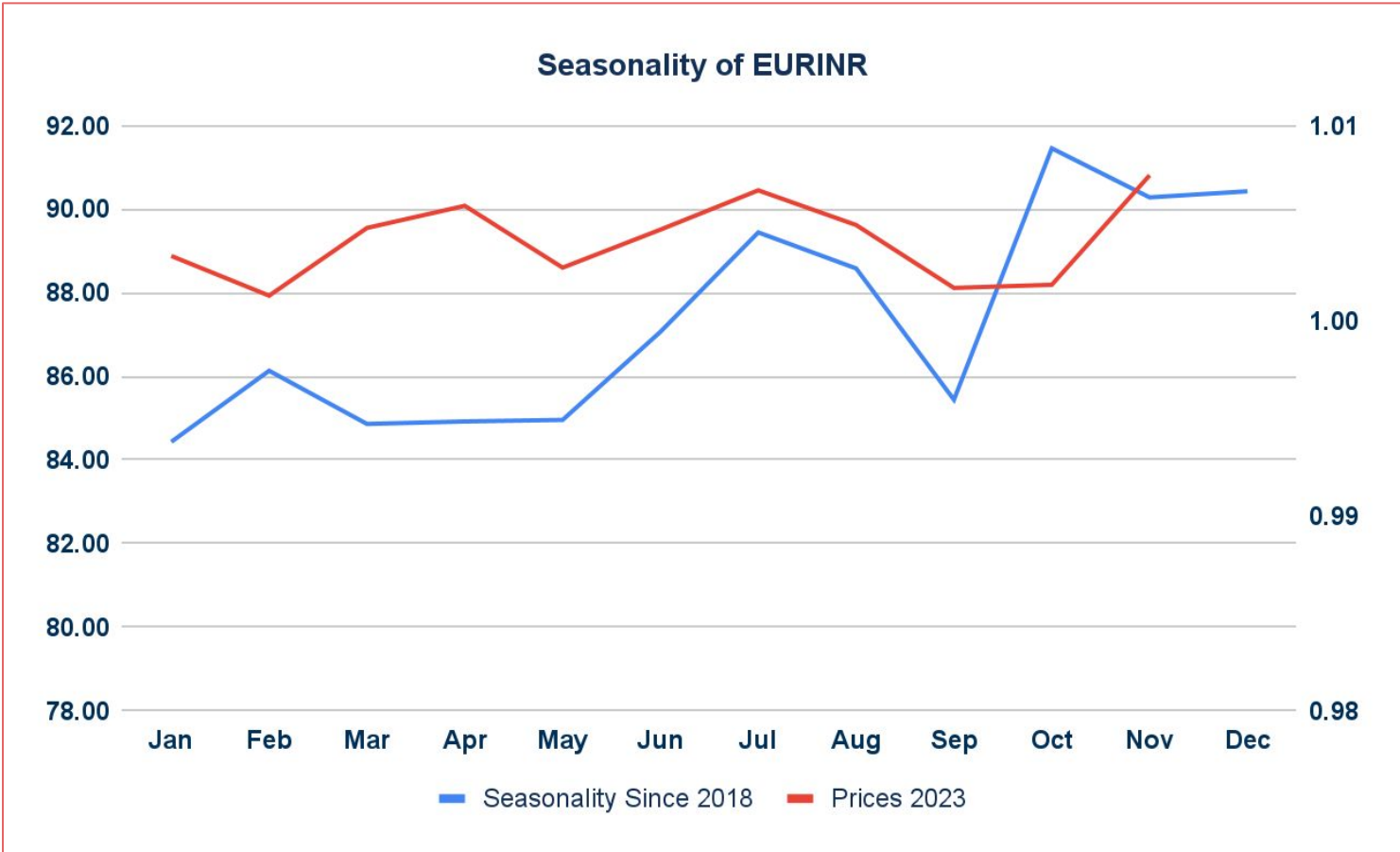
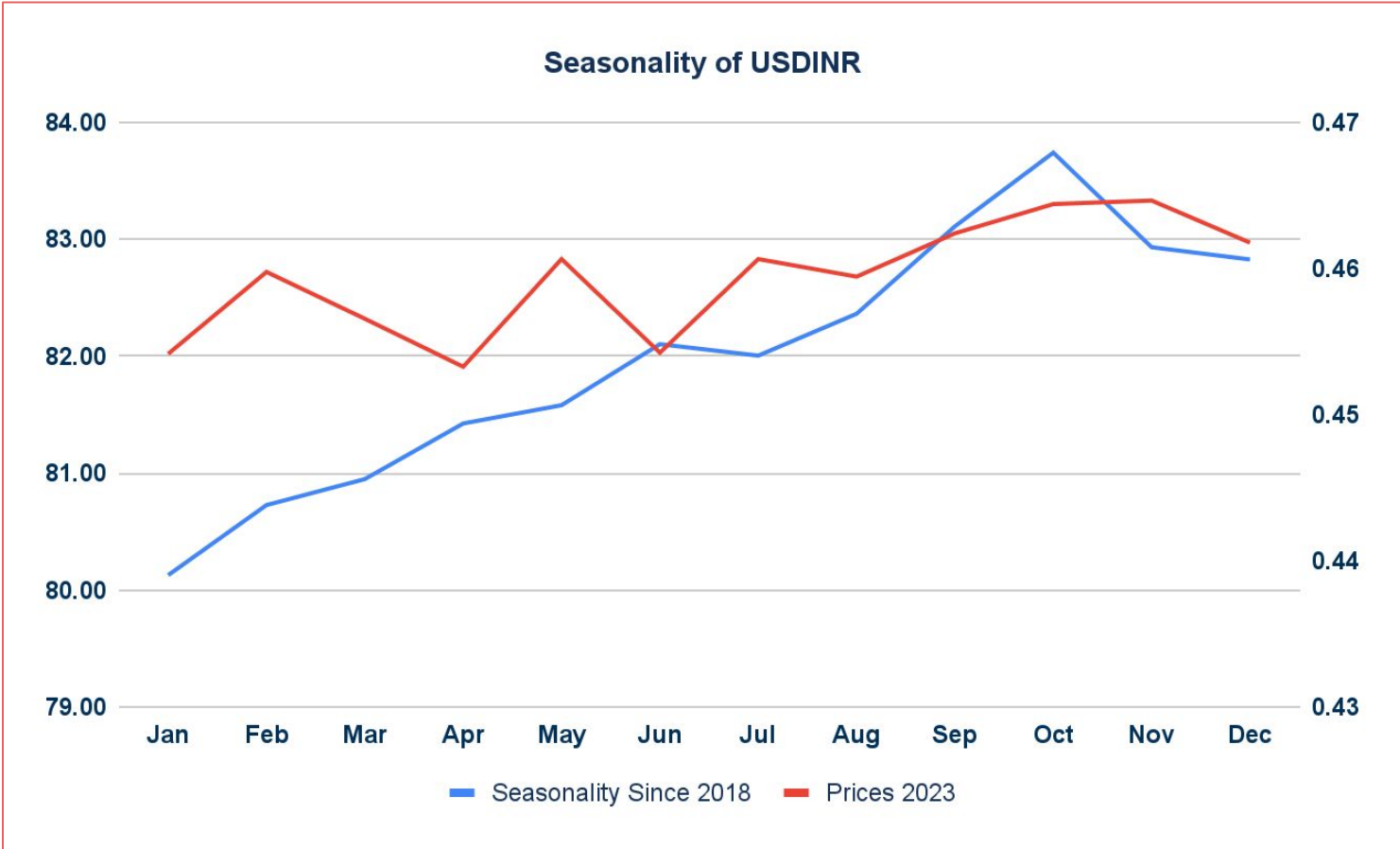
JPYINR trading range for the day is 58.05-58.47.
 JPY gains amid turnaround in the risk sentiment, along with an upward revision of Japan's growth estimates
 BOJ decision to maintain its ultra-dovish stance earlier this week might keep a lid on any further gains for the currency.
 Japan's Cabinet Office published its twice-yearly economic outlook and estimated real economic growth rate for fiscal 2023/24 at 1.6%

OI & Volume



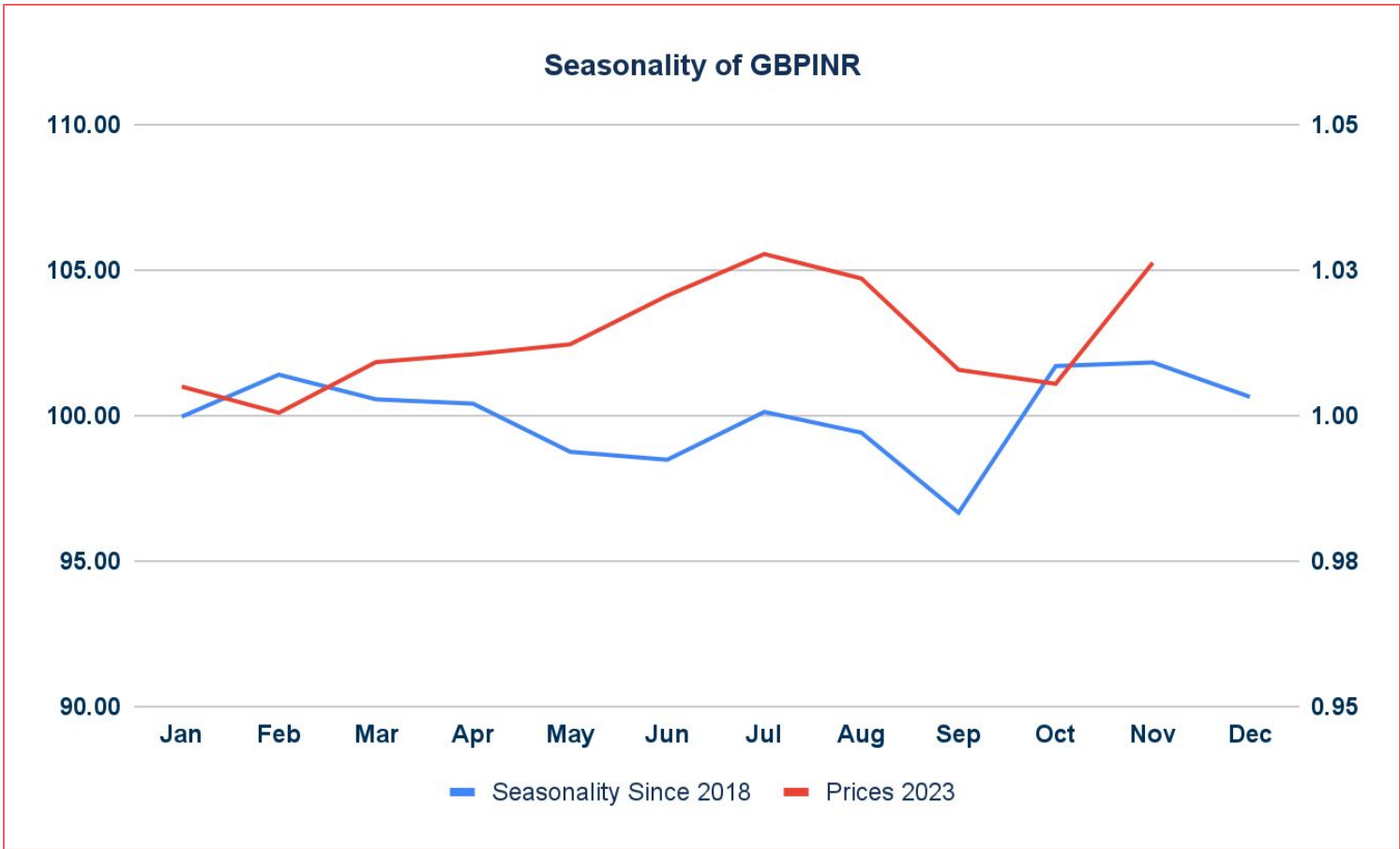
Spread

Currency	Spread
JPYINR JAN-DEC	0.3625



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Economic Data

Date	Curr.	Data	Date	Curr.	Data
Dec 18	EUR	German ifo Business Climate	Dec 21	USD	Unemployment Claims
Dec 18	USD	NAHB Housing Market Index	Dec 21	USD	Final GDP Price Index q/q
Dec 19	EUR	Final Core CPI y/y	Dec 21	USD	Philly Fed Manufacturing Index
Dec 19	EUR	Final CPI y/y	Dec 21	USD	CB Leading Index m/m
Dec 19	USD	Building Permits	Dec 21	USD	Natural Gas Storage
Dec 19	USD	Housing Starts	Dec 22	EUR	German Import Prices m/m
Dec 20	EUR	German GfK Consumer Climate	Dec 22	USD	Core PCE Price Index m/m
Dec 20	EUR	German PPI m/m	Dec 22	USD	Core Durable Goods Orders m/m
Dec 20	EUR	Current Account	Dec 22	USD	Durable Goods Orders m/m
Dec 20	USD	Current Account	Dec 22	USD	Personal Income m/m
Dec 20	EUR	Consumer Confidence	Dec 22	USD	Personal Spending m/m
Dec 20	USD	CB Consumer Confidence	Dec 22	EUR	Belgian NBB Business Climate
Dec 20	USD	Existing Home Sales	Dec 22	USD	Revised UoM Consumer Sentiment
Dec 20	USD	Crude Oil Inventories	Dec 22	USD	New Home Sales
Dec 21	USD	Final GDP q/q	Dec 22	USD	Revised UoM Inflation Expectations

News

The U.S. current account deficit was the smallest in more than two years in the third quarter amid rising petroleum exports, government data showed. The Commerce Department's Bureau of Economic Analysis said that the current account deficit, which measures the flow of goods, services and investments into and out of the country, contracted \$16.5 billion, or 7.6%, to \$200.3 billion last quarter. That was the smallest since the second quarter of 2021. The current account gap represented 2.9% of gross domestic product, the smallest share since the first quarter of 2021, and down from 3.2% in the second quarter. The deficit peaked at 6.3% of GDP in the fourth quarter of 2005. The United States is now a net exporter of crude oil and fuel. Though the deficit remains large, it has no impact on the dollar given its status as the reserve currency. Exports of goods increased \$19.1 billion to \$516.4 billion, driven by petroleum and related products. Exports of services rose \$2.7 billion to \$252.2 billion as an increase in personal travel partially offset a decline in technical, trade-related, and other business services.

The budget picture for British Prime Minister Rishi Sunak has deteriorated, official data showed, but a smaller debt interest bill thanks to slowing inflation could yet restore some of his limited room for pre-election tax cuts. Public sector net borrowing, excluding state-owned banks, totalled 116.4 billion pounds (\$147 billion) in the financial year so far, 24.4 billion pounds higher than in the April-November period a year earlier, the Office for National Statistics said. In November alone, the deficit of 14.3 billion pounds was bigger than expected - a poll of economists had pointed to a shortfall of 12.9 billion pounds. Britain's statistics office revised up borrowing for each of the previous seven months by 3.7 billion pounds in total. British borrowing has surged in recent years, first as the government supported the economy during the COVID pandemic and then as it provided massive aid to households and businesses to offset the surge in energy prices in 2022. Thursday's figures served as a reminder of the fragility of the so-called fiscal headroom which Sunak hopes will allow for more tax cuts ahead of elections expected next year.

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