

# KEDIA ADVISORY



## DAILY CURRENCY OUTLOOK

- 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-Jul-24 | 83.5300  | 83.5600  | 83.5200  | 83.5525  | -0.01    |
| USDINR   | 28-Aug-24 | 83.6325  | 83.6325  | 83.5925  | 83.6275  | -0.01    |
| EURINR   | 29-Jul-24 | 90.2500  | 90.5000  | 90.2500  | 90.4350  | 0.24     |
| EURINR   | 28-Aug-24 | 90.4200  | 90.5375  | 90.4050  | 90.5350  | 0.21     |
| GBPINR   | 29-Jul-24 | 106.4700 | 106.7500 | 106.4700 | 106.7150 | 0.26     |
| GBPINR   | 28-Aug-24 | 106.4300 | 106.6075 | 106.4200 | 106.5775 | 0.15     |
| JPYINR   | 29-Jul-24 | 51.6000  | 52.1500  | 51.6000  | 52.0550  | 0.12     |
| JPYINR   | 28-Aug-24 | 52.4000  | 52.4025  | 52.4000  | 52.4000  | 0.19     |

## Open Interest Snapshot

| Currency | Expiry    | % Change | % Oi Change | Oi Status        |
|----------|-----------|----------|-------------|------------------|
| USDINR   | 29-Jul-24 | -0.01    | -0.78       | Long Liquidation |
| USDINR   | 28-Aug-24 | -0.01    | -0.17       | Long Liquidation |
| EURINR   | 29-Jul-24 | 0.24     | 14.59       | Fresh Buying     |
| EURINR   | 28-Aug-24 | 0.21     | 15.29       | Fresh Buying     |
| GBPINR   | 29-Jul-24 | 0.26     | 26.40       | Fresh Buying     |
| GBPINR   | 28-Aug-24 | 0.15     | 14.37       | Fresh Buying     |
| JPYINR   | 29-Jul-24 | 0.12     | 8.84        | Fresh Buying     |
| JPYINR   | 28-Aug-24 | 0.19     | 13.40       | Fresh Buying     |

## Global Indices

| Index     | Last     | %Chg  |
|-----------|----------|-------|
| Nifty     | 24323.85 | 0.09  |
| Dow Jones | 39375.87 | 0.17  |
| NASDAQ    | 18352.76 | 0.90  |
| CAC       | 7675.62  | -0.26 |
| FTSE 100  | 8203.93  | -0.45 |
| Nikkei    | 40922.37 | 0.02  |

## International Currencies

| Currency | Last   | % Change |
|----------|--------|----------|
| EURUSD   | 1.0828 | 0.01     |
| GBPUSD   | 1.281  | 0.02     |
| USDJPY   | 160.43 | -0.12    |
| USDCAD   | 1.3636 | -0.04    |
| USDAUD   | 1.4819 | 0.00     |
| USDCHF   | 89.54  | 0.02     |

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Technical Snapshot



**SELL USDINR JUL @ 83.6 SL 83.7 TGT 83.5-83.4.**

Trading Levels

| Expiry    | Close   | R2    | R1    | PP    | S1    | S2    |
|-----------|---------|-------|-------|-------|-------|-------|
| 29-Jul-24 | 83.5525 | 83.58 | 83.56 | 83.54 | 83.52 | 83.50 |
| 28-Aug-24 | 83.6275 | 83.66 | 83.65 | 83.62 | 83.61 | 83.58 |

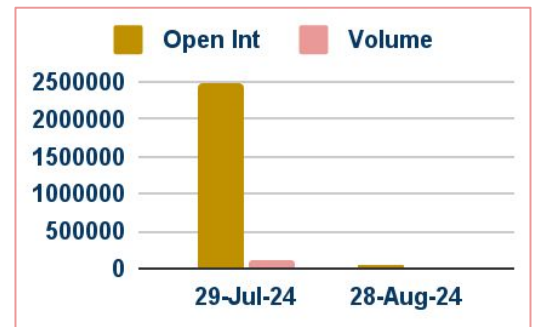
Observations

USDINR trading range for the day is 83.5-83.58.

Rupee closed nearly unchanged as importer dollar demand weighed on the currency, even though most of its Asian peers gained.

Rupee forward premiums rose with the 1-year implied yield up 2 basis points at 1.64% aided by a decline in U.S. bond yields.  
India's rating upgrade possible in next 24 months if fiscal deficit falls to 4%: S&P

OI & Volume



Spread

| Currency       | Spread |
|----------------|--------|
| USDINR AUG-JUL | 0.0750 |

### Technical Snapshot



**SELL EURINR JUL @ 90.6 SL 90.8 TGT 90.3-90.1.**

### Trading Levels

| Expiry    | Close   | R2    | R1    | PP    | S1    | S2    |
|-----------|---------|-------|-------|-------|-------|-------|
| 29-Jul-24 | 90.4350 | 90.65 | 90.55 | 90.40 | 90.30 | 90.15 |
| 28-Aug-24 | 90.5350 | 90.63 | 90.58 | 90.49 | 90.44 | 90.35 |

### Observations

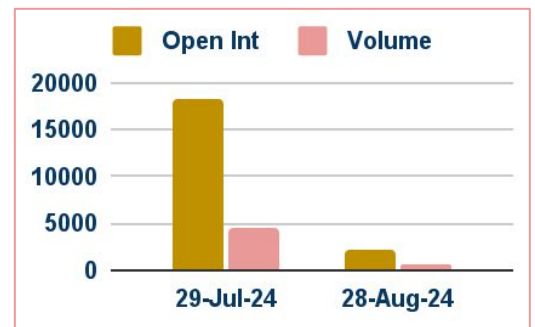
EURINR trading range for the day is 90.15-90.65.

Euro gains fueled by expectations of a rate cut by the Federal Reserve in September.

ECB policymakers raised some doubts about whether the Euro Area recovery would take place as expected

The HCOB Eurozone Services PMI fell to 52.8 in June of 2024 from 53.2 in the earlier month

### OI & Volume



### Spread

| Currency       | Spread |
|----------------|--------|
| EURINR AUG-JUL | 0.1000 |

## Technical Snapshot



**BUY GBPINR JUL @ 106.5 SL 106.2 TGT 106.8-107.**

### Trading Levels

| Expiry    | Close    | R2     | R1     | PP     | S1     | S2     |
|-----------|----------|--------|--------|--------|--------|--------|
| 29-Jul-24 | 106.7150 | 106.93 | 106.83 | 106.65 | 106.55 | 106.37 |
| 28-Aug-24 | 106.5775 | 106.73 | 106.66 | 106.54 | 106.47 | 106.35 |

### Observations

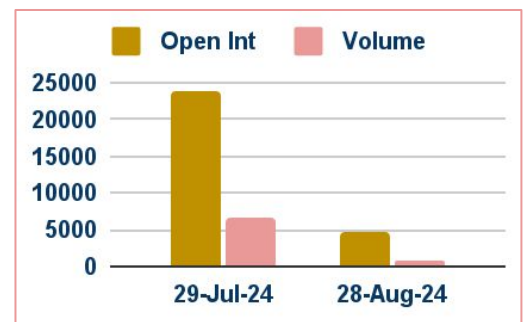
GBPINR trading range for the day is 106.37-106.93.

GBP gains as the center-left Labour party won the parliamentary election and secured a majority as expected.

British employers expect the wages they pay will grow more slowly over the coming 12 months

Investors are anticipating a rate cut in August following the Bank of England's decision to keep interest rates steady in June

### OI & Volume



### Spread

| Currency       | Spread  |
|----------------|---------|
| GBPINR AUG-JUL | -0.1375 |

Technical Snapshot



**BUY JPYINR JUL @ 51.9 SL 51.7 TGT 52.15-52.35.**

Trading Levels

| Expiry    | Close   | R2    | R1    | PP    | S1    | S2    |
|-----------|---------|-------|-------|-------|-------|-------|
| 29-Jul-24 | 52.0550 | 52.49 | 52.28 | 51.94 | 51.73 | 51.39 |
| 28-Aug-24 | 52.4000 | 52.40 | 52.40 | 52.40 | 52.40 | 52.40 |

Observations

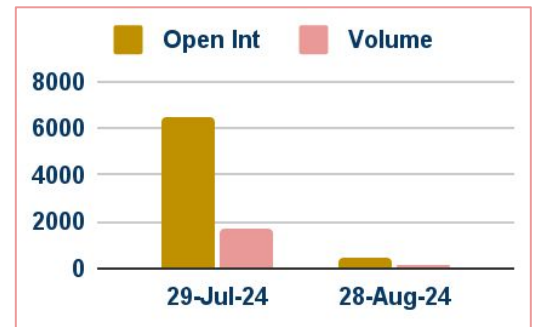
JPYINR trading range for the day is 51.39-52.49.

JPY appreciated benefitting mainly from a decline in the dollar amid soft US economic data

Reserve assets in Japan fell slightly to \$1.231 trillion in June 2024 from \$1.232 trillion in May

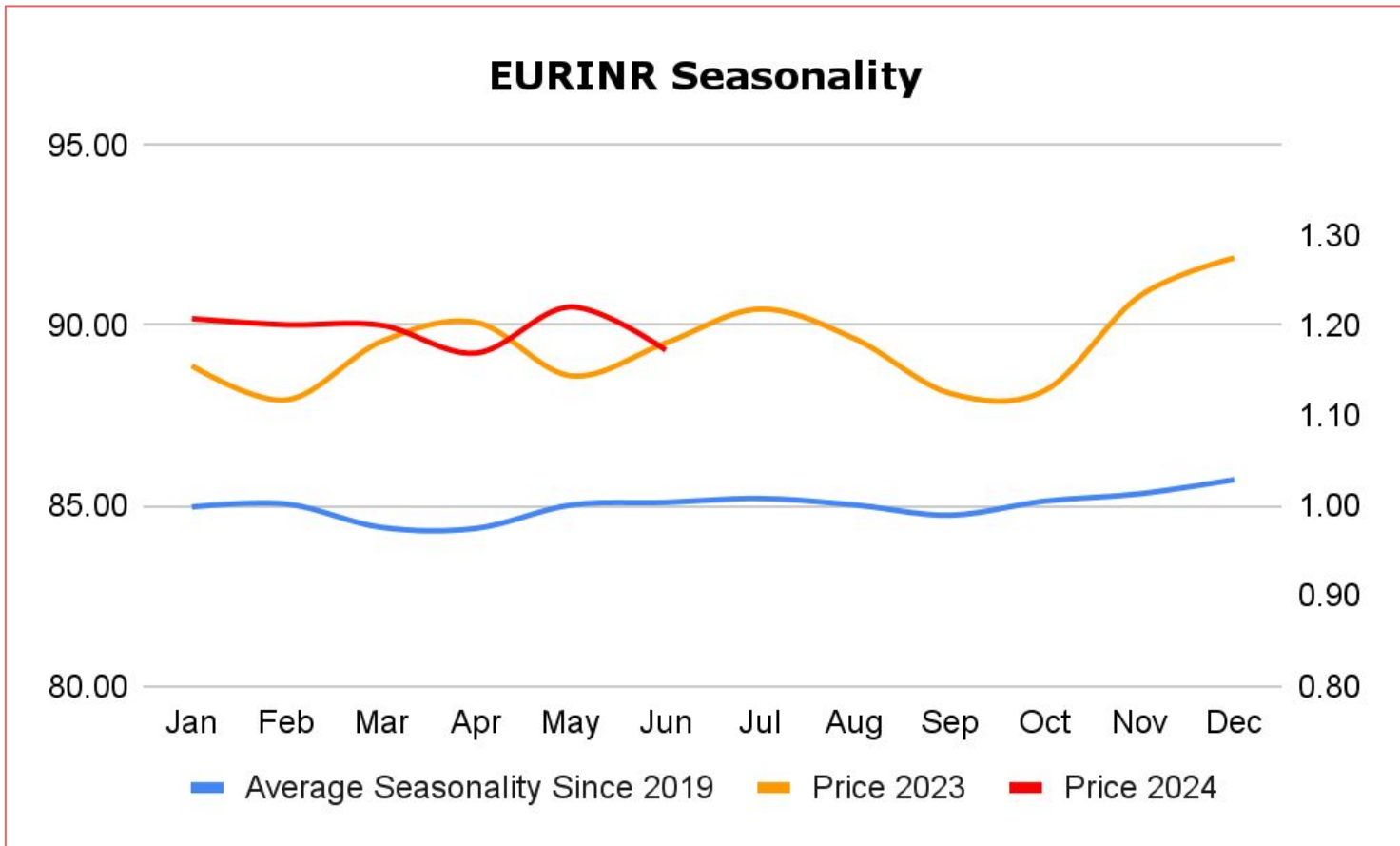
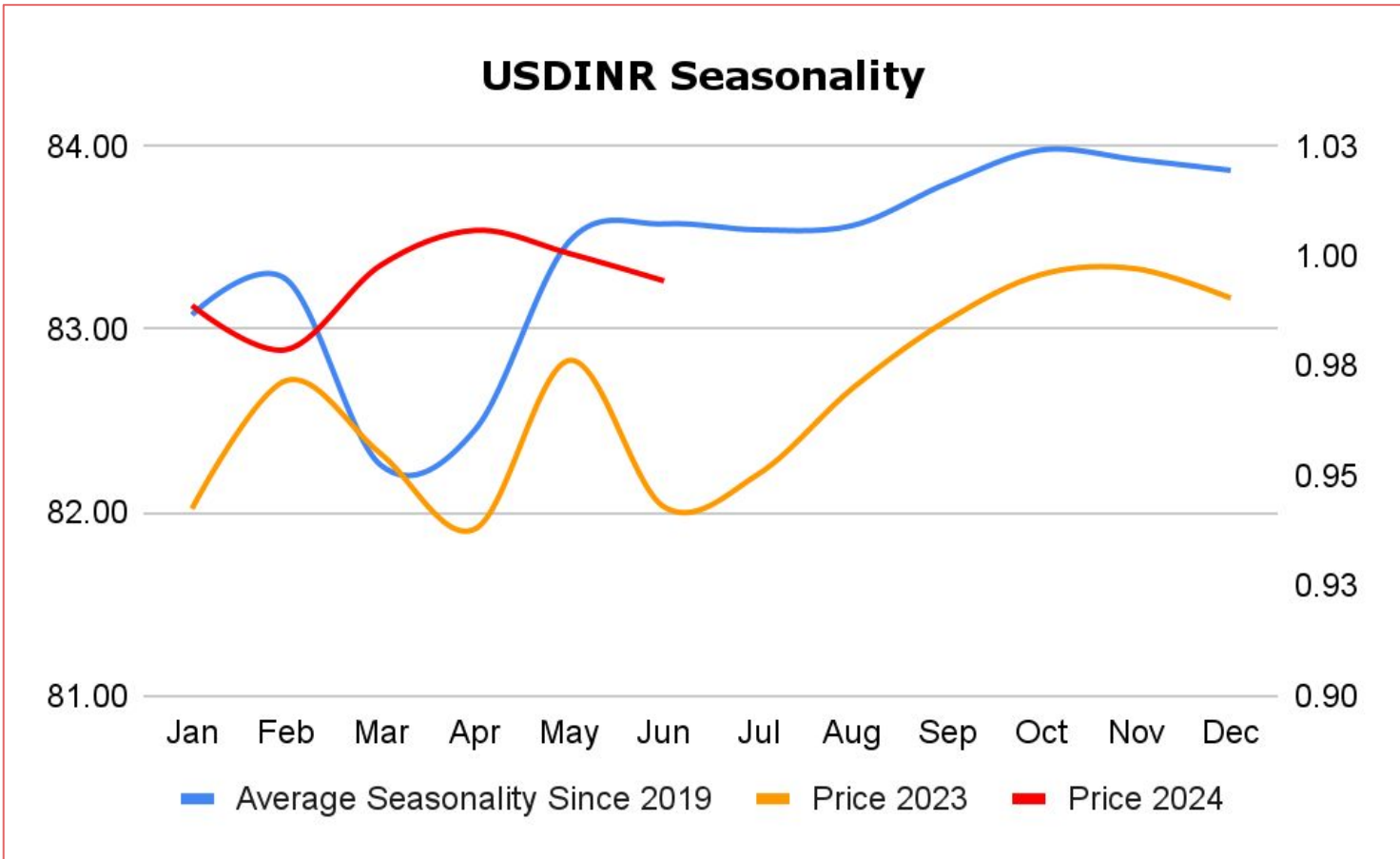
Household spending in Japan declined in real terms by 1.8% yoy in May 2024

OI & Volume



Spread

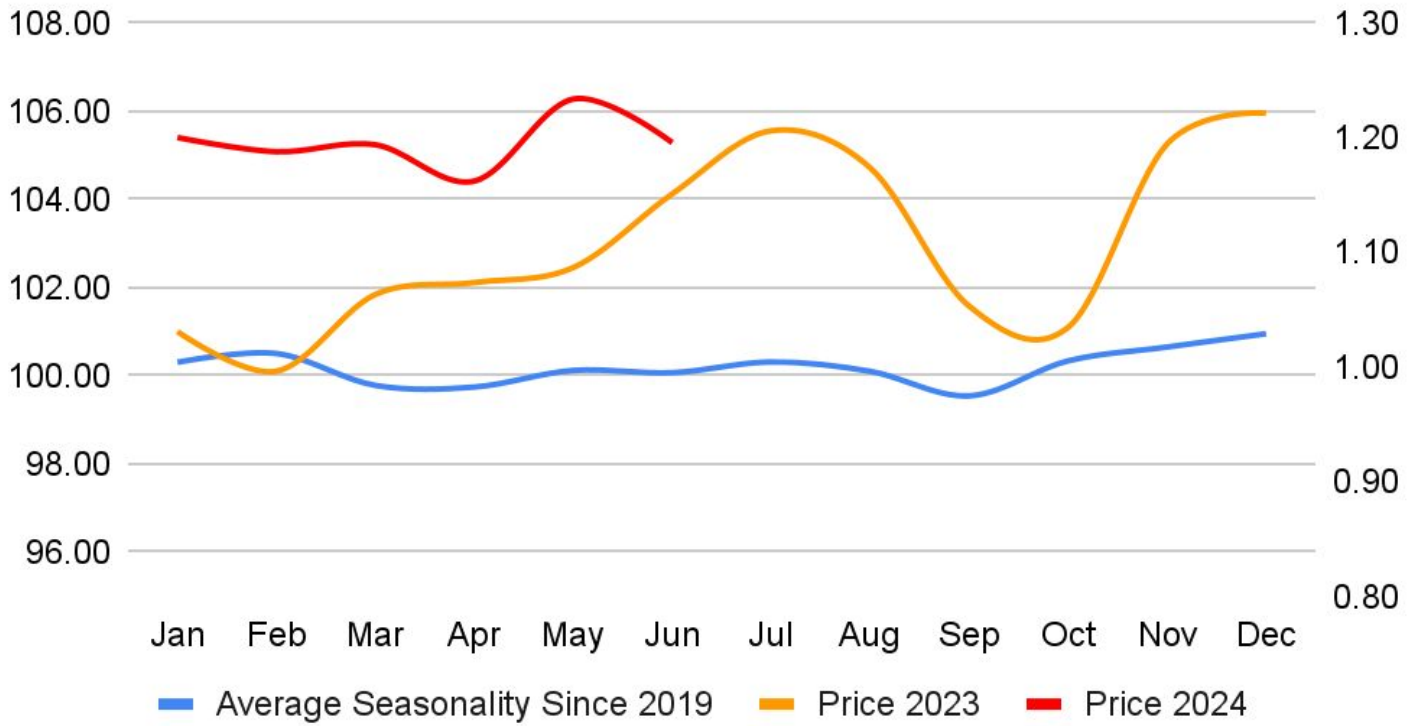
| Currency       | Spread |
|----------------|--------|
| JPYINR AUG-JUL | 0.3450 |



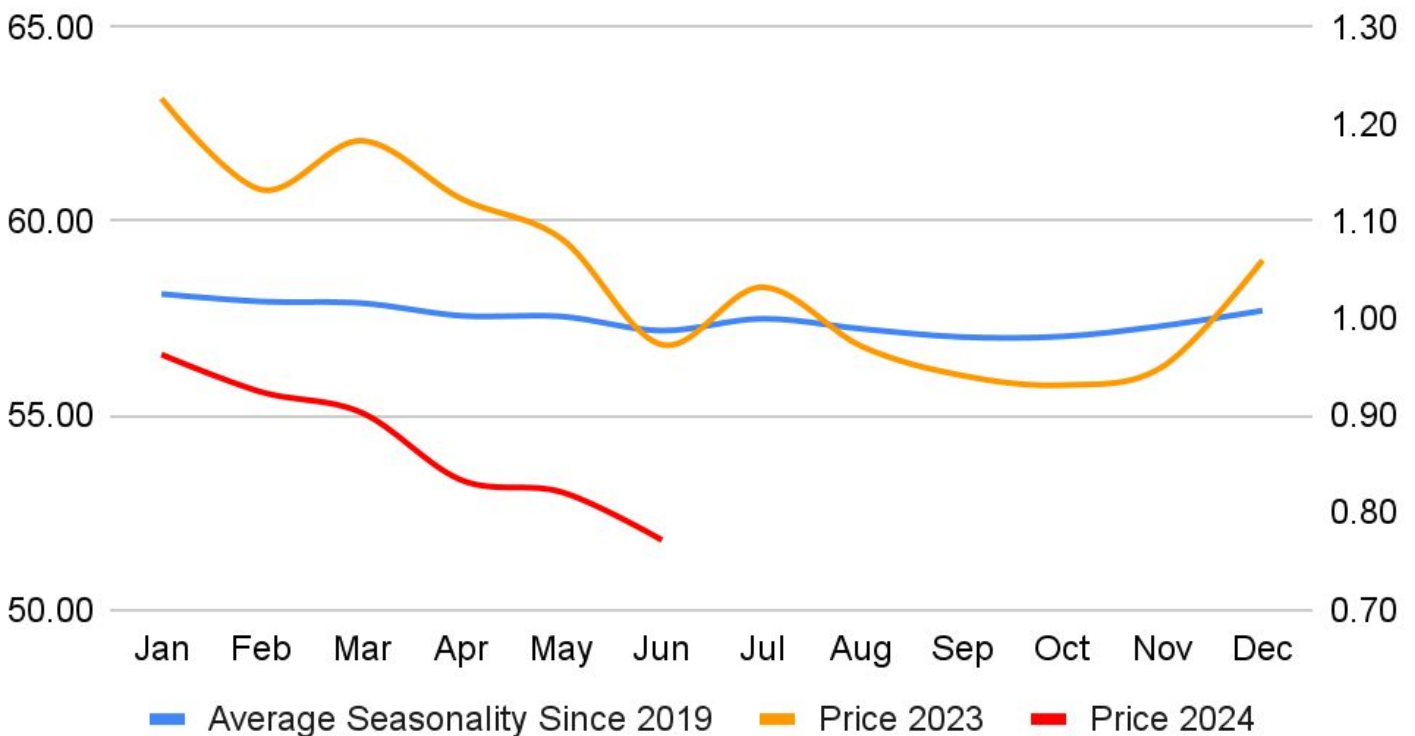
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## GBPINR Seasonality



## JPYINR Seasonality



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## Economic Data

| Date   | Curr. | Data                              |
|--------|-------|-----------------------------------|
| Jul 8  | EUR   | German Trade Balance              |
| Jul 8  | EUR   | Sentix Investor Confidence        |
| Jul 9  | USD   | Consumer Credit m/m               |
| Jul 9  | USD   | NFIB Small Business Index         |
| Jul 9  | USD   | FOMC Member Barr Speaks           |
| Jul 9  | USD   | Fed Chair Powell Testifies        |
| Jul 9  | USD   | Treasury Sec Yellen Speaks        |
| Jul 9  | USD   | FOMC Member Bowman Speaks         |
| Jul 10 | EUR   | German Buba Nagel Speaks          |
| Jul 10 | EUR   | Italian Industrial Production m/m |
| Jul 10 | EUR   | German Buba Nagel Speaks          |
| Jul 10 | USD   | Fed Chair Powell Testifies        |
| Jul 10 | USD   | Final Wholesale Inventories m/m   |
| Jul 10 | USD   | Crude Oil Inventories             |
| Jul 11 | EUR   | German Final CPI m/m              |

| Date   | Curr. | Data                              |
|--------|-------|-----------------------------------|
| Jul 11 | USD   | Core CPI m/m                      |
| Jul 11 | USD   | CPI m/m                           |
| Jul 11 | USD   | CPI y/y                           |
| Jul 11 | USD   | Unemployment Claims               |
| Jul 11 | USD   | Natural Gas Storage               |
| Jul 11 | USD   | FOMC Member Bostic Speaks         |
| Jul 11 | USD   | FOMC Member Musalem Speaks        |
| Jul 11 | USD   | 30-y Bond Auction                 |
| Jul 11 | USD   | Federal Budget Balance            |
| Jul 12 | EUR   | German WPI m/m                    |
| Jul 12 | EUR   | French Final CPI m/m              |
| Jul 12 | USD   | Core PPI m/m                      |
| Jul 12 | USD   | PPI m/m                           |
| Jul 12 | USD   | Prelim UoM Consumer Sentiment     |
| Jul 12 | USD   | Prelim UoM Inflation Expectations |

## News

Japanese big manufacturers' confidence hit a more than two-year high but service-sector mood soured on rising costs driven by the weak yen, a central bank survey showed, adding to a mixed economic outlook. A rare unscheduled downgrade to Japan's historical gross domestic product (GDP) data also showed the economy shrank more than reported in the first quarter, which will likely force the central bank to cut its growth forecasts later this month. The BOJ's closely watched "tankan" survey showed the headline sentiment index for big manufacturers hit +13 in June, up from +11 in March and slightly exceeding a median market forecast for a reading of +12. The reading, which was the highest since March 2022, reflected a rebound in auto output and success by manufacturers to pass on rising raw material costs through price hikes. But service-sector firms were less optimistic than three months ago, the survey showed, as rising labour costs from a tight job market added to the pain from stubbornly high imported raw material prices, the survey showed. An index measuring big non-manufacturers' sentiment fell to +33 in June from +34 in March, matching market forecasts and worsening for the first time in two years.

The NBS Composite PMI Output Index in China dropped to 50.5 in June 2024 from 51.0 in May, pointing to the lowest figure since last December as factory activity shrank for the second month. At the same time, the service sector grew for 18 straight months but its rate of rise was the softest in six months. The latest reading suggested the economy needs fresh stimulus amid ongoing deflation risk, persistently feeble demand, and prolonged property downturn. Figures came ahead of July's Third Plenum, a key political meeting where China's Communist Party may launch big shifts in economic policy. In May, Chinese activity data was mixed, marked by weaker-than-expected industrial output growth and strong retail sales on the back of a holiday boost. The official NBS Manufacturing PMI in China stood at 49.5 in June 2024, holding steady for the second straight month and aligning with market forecasts. The official NBS Non-Manufacturing PMI in China was down to 50.5 in June 2024 from 51.1 in the previous month, missing market forecasts of 51.0. While marking the 18th consecutive month of expansion in the service sector, the latest figure was the softest since last December, as new orders (46.7 vs 46.9 in May) and new export orders (48.8 vs 47.5) remained weak.

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