

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

04 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	83.3900	83.4175	83.3325	83.3650	-0.04
USDINR	27-Feb-24	83.4725	83.4975	83.4150	83.4500	-0.04
EURINR	29-Jan-24	91.4450	91.5125	91.1250	91.1550	-0.61
EURINR	27-Feb-24	91.5925	91.6525	91.2675	91.3000	-0.60
GBPINR	29-Jan-24	105.4450	105.4450	105.2225	105.2675	-0.43
GBPINR	27-Feb-24	105.6000	105.6000	105.2875	105.3250	-0.45
JPYINR	29-Jan-24	59.0450	59.0450	58.6500	58.6875	-0.68
JPYINR	27-Feb-24	59.3025	59.3725	59.0000	59.0450	-0.65

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	29-Jan-24	-0.04	-2.83	Long Liquidation
USDINR	27-Feb-24	-0.04	3.62	Fresh Selling
EURINR	29-Jan-24	-0.61	-18.26	Long Liquidation
EURINR	27-Feb-24	-0.60	-23.54	Long Liquidation
GBPINR	29-Jan-24	-0.43	-7.01	Long Liquidation
GBPINR	27-Feb-24	-0.45	-20.09	Long Liquidation
JPYINR	29-Jan-24	-0.68	6.89	Fresh Selling
JPYINR	27-Feb-24	-0.65	-14.54	Long Liquidation

Global Indices

Index	Last	%Chg
Nifty	21517.35	-0.69
Dow Jones	37430.19	-0.76
NASDAQ	14592.21	-1.18
CAC	7411.86	-1.58
FTSE 100	7682.33	-0.51
Nikkei	33048.58	-1.24

International Currencies

Currency	Last	% Change
EURUSD	1.0922	-0.04
GBPUSD	1.266	-0.11
USDJPY	143.44	0.31
USDCAD	1.3351	0.02
USDAUD	1.4864	0.11
USDCHF	84.95	0.04

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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	83.3650	83.46	83.41	83.37	83.32	83.28
27-Feb-24	83.4500	83.54	83.49	83.45	83.40	83.36

Observations

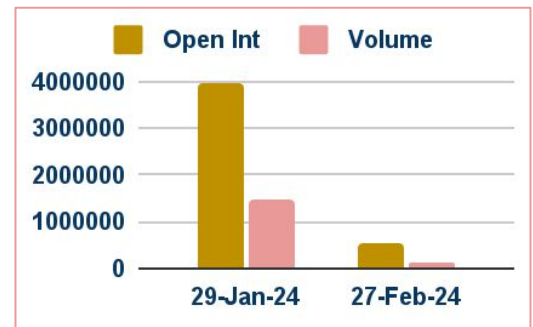
USDINR trading range for the day is 83.28-83.46.

Rupee remained in range amid optimistic outlook in the Indian economy by domestic and overseas investors

Fed policymakers viewed the policy rate as near its peak for this tightening cycle

The S&P Global India Manufacturing PMI dropped to 54.9 in December 2023 from 56.0 a month earlier

OI & Volume



Spread

Currency	Spread
USDINR FEB-JAN	0.0850

Technical Snapshot



SELL EURINR JAN @ 91.25 SL 91.45 TGT 91.05-90.9.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	91.1550	91.65	91.40	91.26	91.01	90.87
27-Feb-24	91.3000	91.79	91.55	91.41	91.17	91.03

Observations

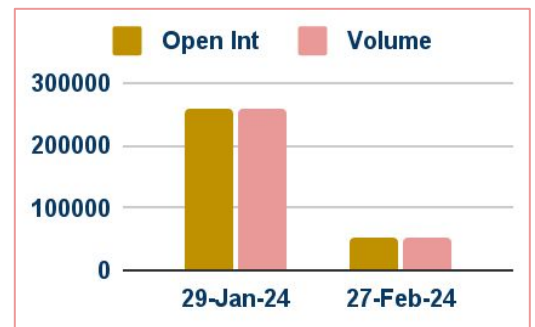
EURINR trading range for the day is 90.87-91.65.

Euro dropped as investors locked in profits and dialed back bets on the scale of interest rate cuts from major central banks this year.

Germany's seasonally adjusted jobless rate ticked up to 5.9% in December 2023

The number of people registering as jobless in Spain decreased by 27,375, in December 2023

OI & Volume



Spread

Currency	Spread
EURINR FEB-JAN	0.1450

Technical Snapshot



BUY GBPINR JAN @ 105.2 SL 104.9 TGT 105.5-105.7.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	105.2675	105.53	105.40	105.31	105.18	105.09
27-Feb-24	105.3250	105.71	105.51	105.40	105.20	105.09

Observations

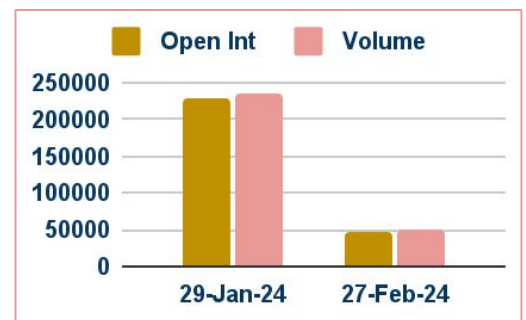
GBPINR trading range for the day is 105.09-105.53.

GBP dropped affected by the latest signs of slowing inflation in Britain.

UK executives urge the BoE to lower interest rates as the Economic Confidence Index fell to 28 from the previous month's decline of 21.

IMF Managing Director Kristalina Georgieva expects policy rates to be reduced in 2024 due to a decline in inflation.

OI & Volume



Spread

Currency	Spread
GBPINR FEB-JAN	0.0575

Technical Snapshot



SELL JPYINR JAN @ 58.7 SL 58.9 TGT 58.45-58.3.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
29-Jan-24	58.6875	59.18	58.93	58.79	58.54	58.40
27-Feb-24	59.0450	59.51	59.28	59.14	58.91	58.77

Observations

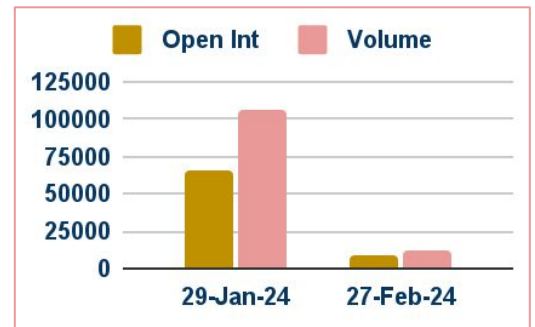
JPYINR trading range for the day is 58.4-59.18.

JPY dropped expectations for a shift in the BoJ's policy stance.

A softer risk tone further benefits the safe-haven JPY and caps USD/JPY amid subdued USD demand.

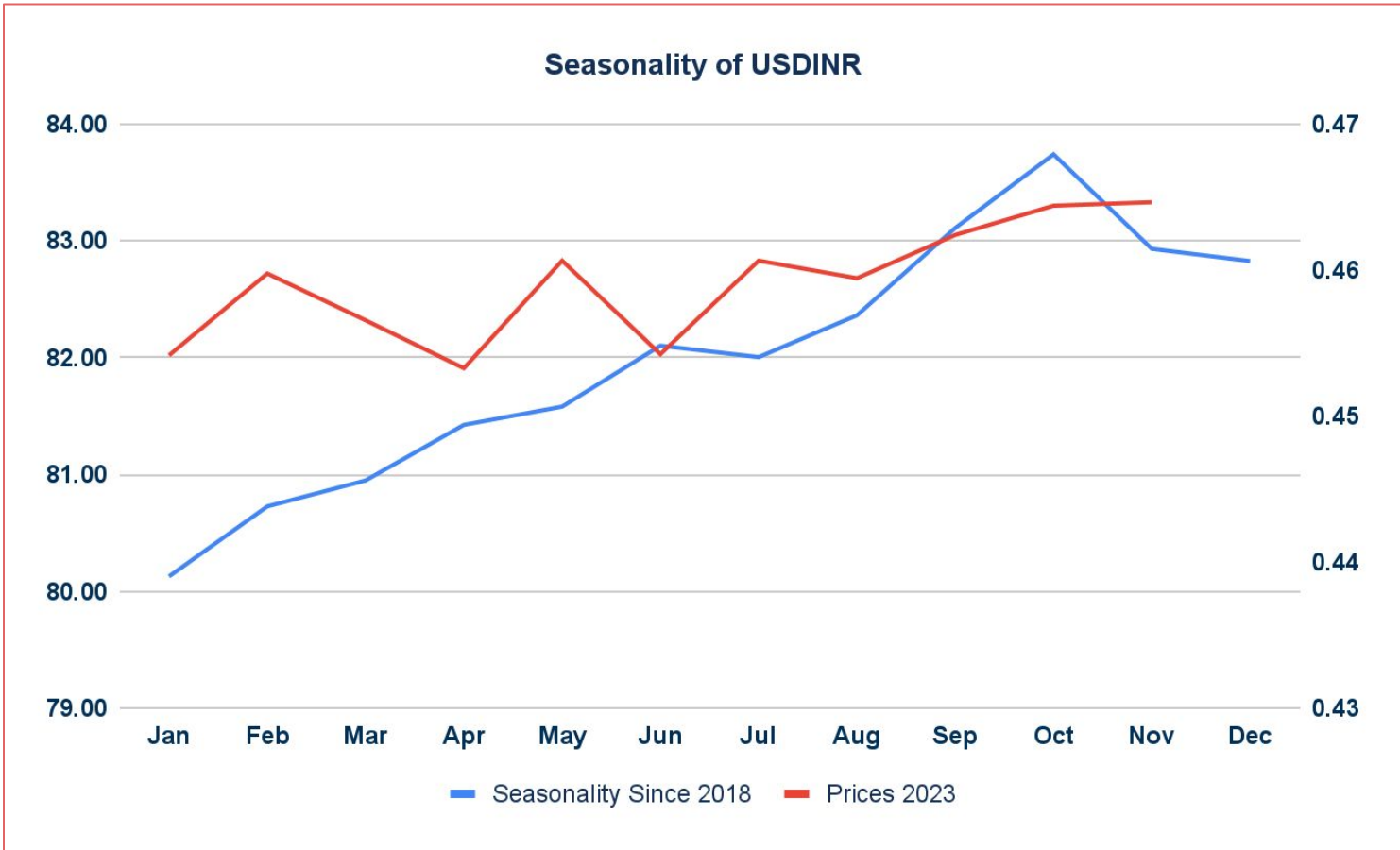
Investors now look to the US economic data for some impetus ahead of the FOMC meeting minutes.

OI & Volume



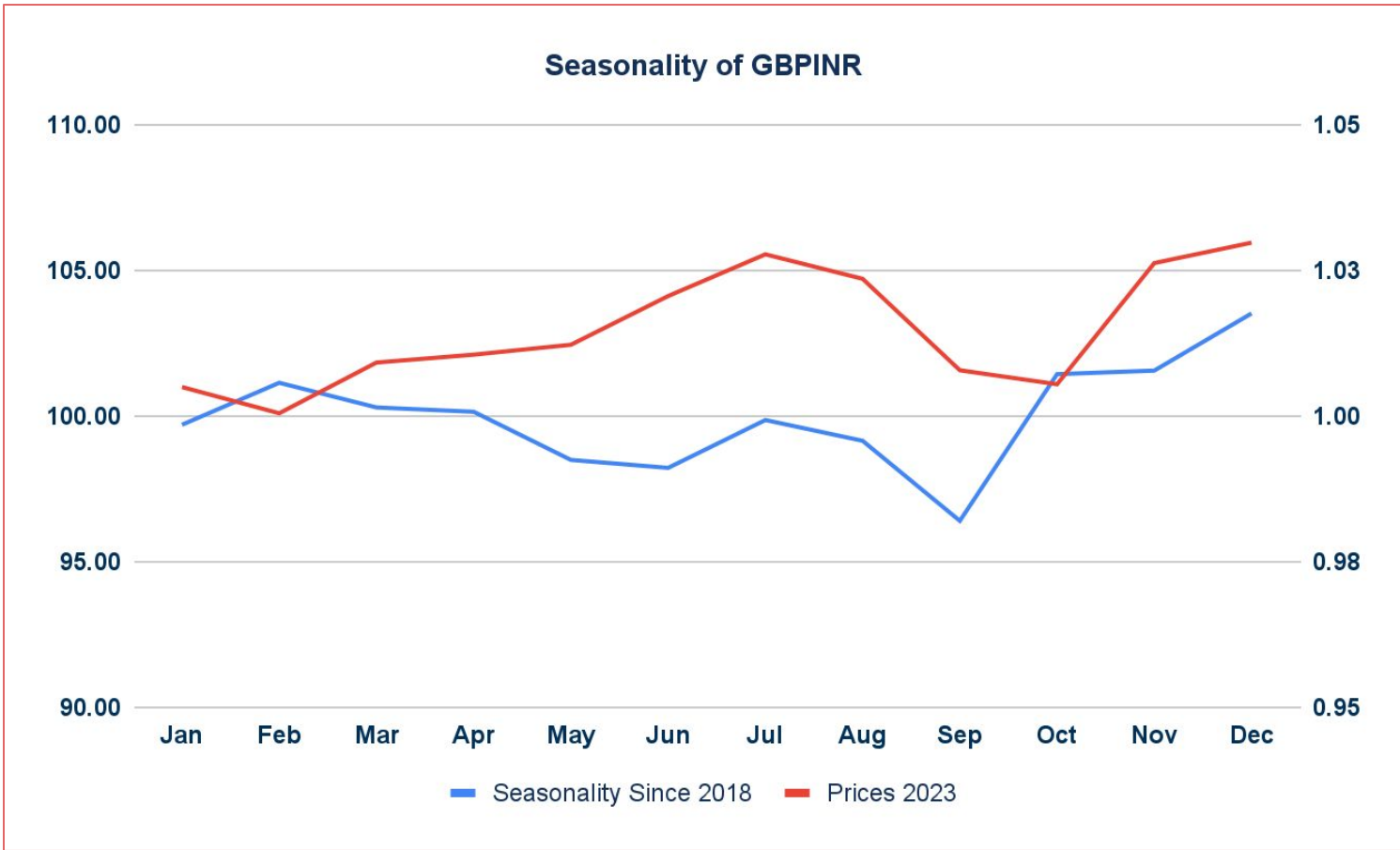
Spread

Currency	Spread
JPYINR FEB-JAN	0.3575



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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

Britain's manufacturing sector suffered a setback in its attempts to return to growth as output and employment fell more sharply in December than the previous month, according to a survey published. The final reading of the S&P Global/CIPS manufacturing Purchasing Managers' Index (PMI) weakened to 46.2 in December, ending a run of three months of improvement and down from a seven-month high of 47.2 in November. The reading was also down slightly from a preliminary December estimate of 46.4 and was below the 50.0 growth threshold for a 17th month in a row. Britain's manufacturing sector has borne the brunt of the climb in borrowing costs. By contrast, preliminary PMIs for December showed the country's much bigger services sector saw the strongest growth in six months. Manufacturers increased their prices marginally for a second month in a row, driven by the investment goods sector. The fall in input costs was the smallest since May. Cutbacks to stock levels, purchasing and employment reflected a cautious approach to costs. With concerns about high interest rates and the cost-of-living crisis hurting demand, the outlook for manufacturers in the months ahead remains decidedly gloomy.

Euro zone factories ended 2023 on the back foot, with activity contracting in December for an 18th straight month, according to a survey which gave scant signs of any imminent strong bounceback in an economy likely in recession. HCOB's final euro zone manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, did nudge up to 44.4 in December from November's 44.2 but remained firmly below the 50 mark separating growth in activity from contraction. The pessimistic trend strongly pointed to a contraction in euro zone GDP last. The bloc's economy contracted 0.1% in the third quarter, official data has shown, so a second quarter of contraction would meet the definition of recession. The 20-country euro zone will endure a short and shallow winter recession. An ongoing decline in new orders did ease moderately last month but remained below 50, as it was for all of 2023. The sub-index rose to 42.0 from 41.5. A chunk of December's activity was generated by completing old orders, the backlogs of work index showed, and suggesting that manufacturers don't expect an imminent turnaround factories cut headcount for a seventh consecutive month.

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