

KEDIA ADVISORY

DAILY CURRENCY OUTLOOK

18 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	83.2700	83.2800	83.2275	83.2625	-0.04
USDINR	28-Nov-23	83.3525	83.3675	83.3200	83.3500	-0.04
EURINR	27-Oct-23	87.8625	88.0625	87.7775	88.0200	0.28
EURINR	28-Nov-23	88.0500	88.2400	87.9800	88.2000	0.26
GBPINR	27-Oct-23	101.5050	101.6225	101.1900	101.3625	0.10
GBPINR	28-Nov-23	101.6500	101.7725	101.3525	101.5050	0.05
JPYINR	27-Oct-23	55.8350	56.1500	55.7675	55.8525	0.01
JPYINR	28-Nov-23	56.2000	56.4500	56.1400	56.2150	-0.02

Open Interest Snapshot

Currency	Expiry	% Change	% Oi Change	Oi Status
USDINR	27-Oct-23	-0.04	-3.77	Long Liquidation
USDINR	28-Nov-23	-0.04	18.18	Fresh Selling
EURINR	27-Oct-23	0.28	-5.16	Short Covering
EURINR	28-Nov-23	0.26	9.50	Fresh Buying
GBPINR	27-Oct-23	0.10	-5.23	Short Covering
GBPINR	28-Nov-23	0.05	13.35	Fresh Buying
JPYINR	27-Oct-23	0.01	-0.72	Short Covering
JPYINR	28-Nov-23	-0.02	1.56	Fresh Selling

Global Indices

Index	Last	%Chg
Nifty	19811.50	0.40
Dow Jones	33997.65	0.04
NASDAQ	13533.75	-0.25
CAC	7029.70	0.11
FTSE 100	7675.21	0.58
Nikkei	31974.29	-0.21

International Currencies

Currency	Last	% Change
EURUSD	1.0576	0.03
GBPUSD	1.2176	-0.02
USDJPY	149.67	-0.06
USDCAD	1.3635	-0.14
USDAUD	1.5679	-0.24
USDCHF	89.96	-0.07

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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	83.2625	83.31	83.29	83.26	83.24	83.21
28-Nov-23	83.3500	83.40	83.38	83.35	83.33	83.30

Observations

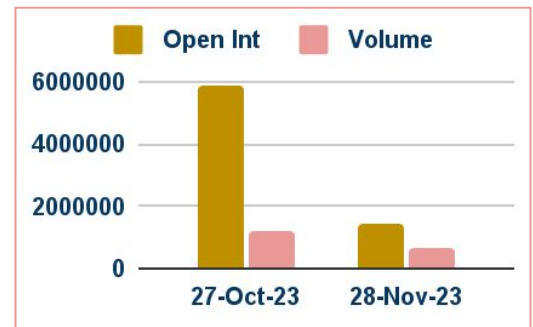
USDINR trading range for the day is 83.21-83.31.

Rupee ended little changed as traders continued to look for triggers to break out of the narrow range

US retail sales rose 0.7% from a month earlier in September, following an upwardly revised 0.8% increase in August

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

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.0875

Technical Snapshot



BUY EURINR OCT @ 87.8 SL 87.6 TGT 88.05-88.25.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	88.0200	88.23	88.12	87.95	87.84	87.67
28-Nov-23	88.2000	88.40	88.30	88.14	88.04	87.88

Observations

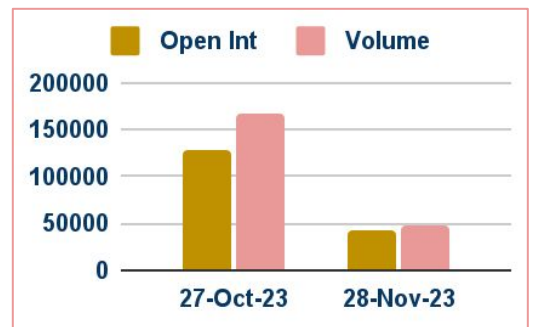
EURINR trading range for the day is 87.67-88.23.

Euro remained in range as investors keeping a close eye on developments in the Middle East.

The ZEW Indicator of Economic Sentiment for Germany surged by 10.3 points from the previous month to reach -1.1 in October 2023

The ZEW Indicator of Economic Sentiment for the Euro Area rebounded to 2.3 in October 2023 from -8.9 in the previous month

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.0875

Technical Snapshot



BUY GBPINR OCT @ 101.2 SL 100.9 TGT 101.55-101.75.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	101.3625	101.82	101.59	101.39	101.16	100.96
28-Nov-23	101.5050	101.96	101.73	101.54	101.31	101.12

Observations

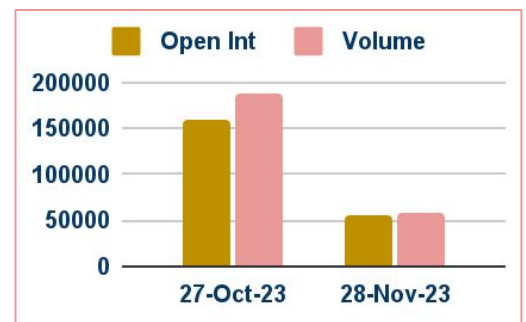
GBPINR trading range for the day is 100.96-101.82.

GBP dropped after data indicated that regular pay growth in the UK moderated slightly to 7.8%

Average weekly earnings, in the UK increased 8.1% year-on-year to GBP 661/week in the three months to August of 2023

Bank of England Governor Andrew Bailey said he was puzzled by the persistent strength of pay growth in the UK

OI & Volume



Spread

Currency	Spread
USDINR NOV-OCT	0.0875

Technical Snapshot



SELL JPYINR OCT @ 55.95 SL 56.15 TGT 55.75-55.6.

Trading Levels

Expiry	Close	R2	R1	PP	S1	S2
27-Oct-23	55.8525	56.30	56.07	55.92	55.69	55.54
28-Nov-23	56.2150	56.58	56.40	56.27	56.09	55.96

Observations

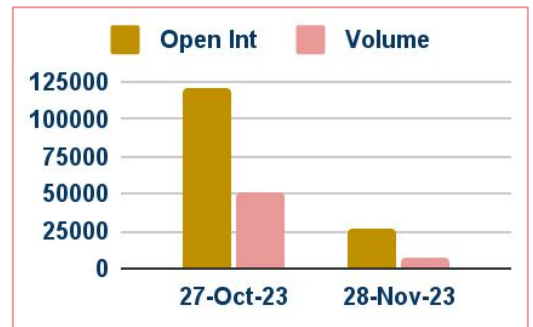
JPYINR trading range for the day is 55.54-56.3.

JPY traded in range keeping traders on edge for any signs of intervention by the Japanese authorities.

Producer prices in Japan rose by 2.0% yoy in September 2023

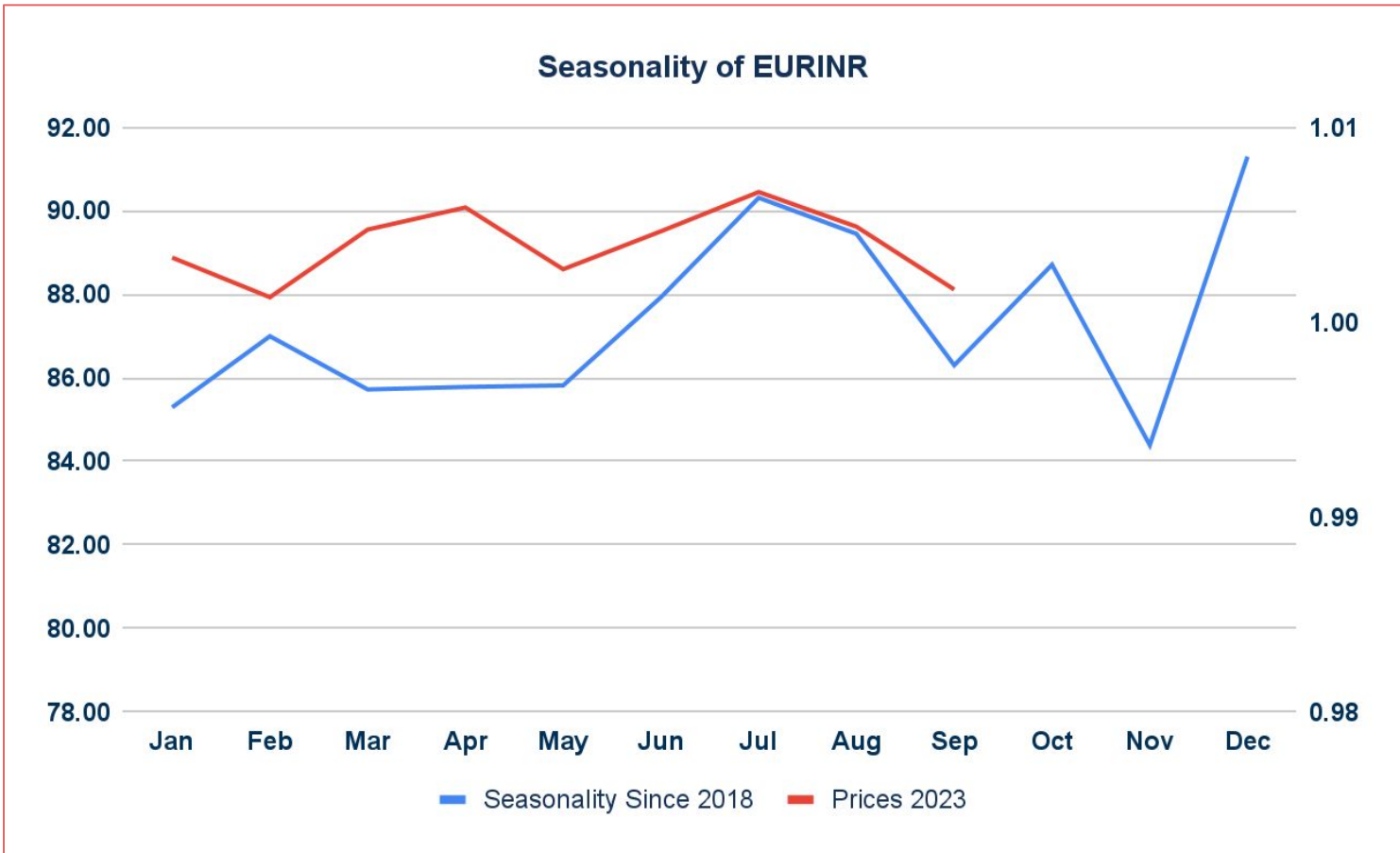
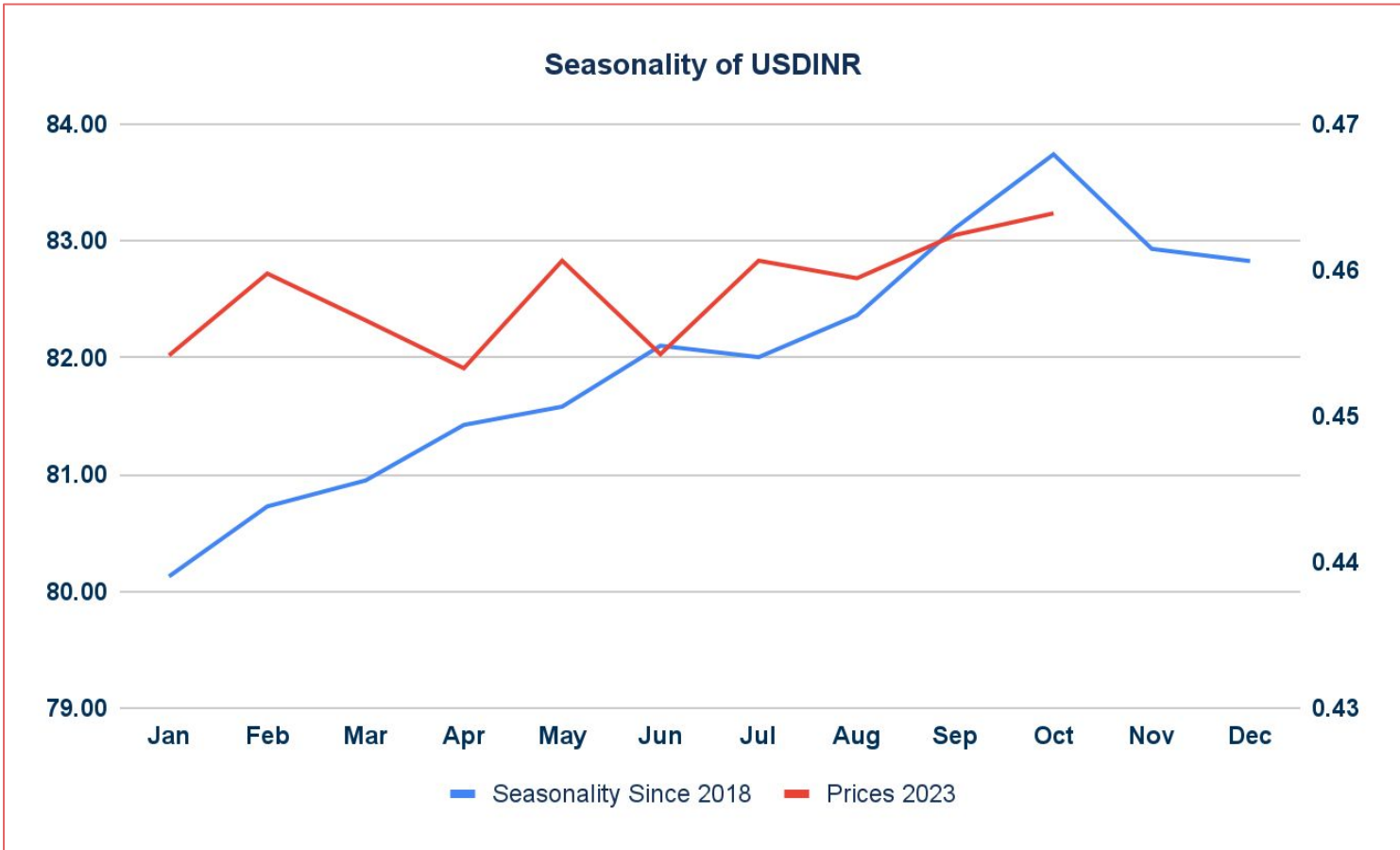
The value of loans in Japan increased 2.9% year-on-year in September 2023

OI & Volume



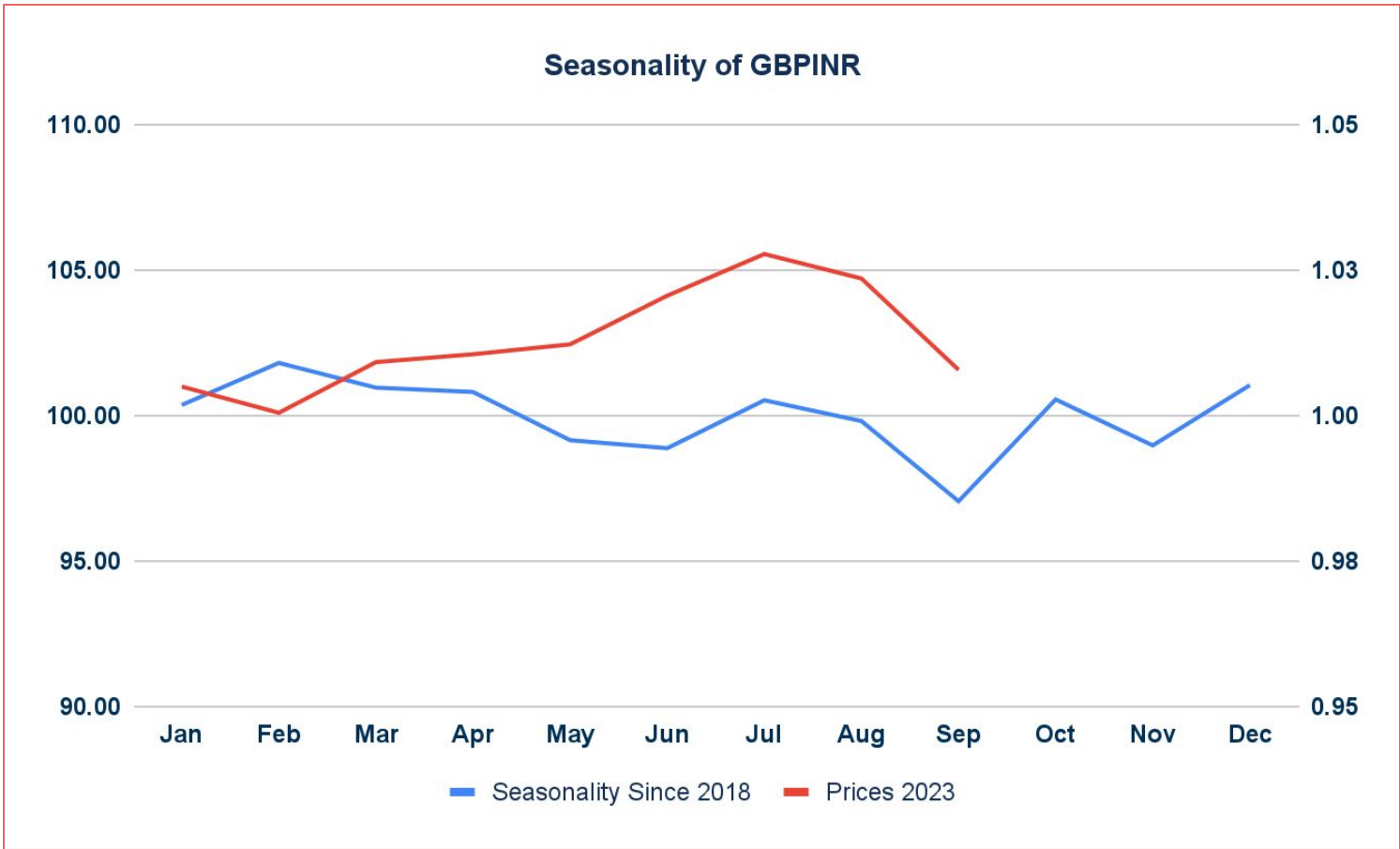
Spread

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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