

CURRENCY REPORT

KEDIA ADVISORY

Tuesday, February 9, 2021

Currency Table

Currency	Exp. Date	Open	High	Low	Close	Change	O.Int	% Cng OI	Volume	ATP
USD-INR	Feb 2021	73.09	73.19	72.95	73.10	↑ 0.04	3358696	6.90	1593369	73.05
EUR-INR	Feb 2021	87.83	88.01	87.82	87.99	↑ 0.51	111442	-12.24	143667	87.92
GBP-INR	Feb 2021	100.11	100.30	100.04	100.07	↑ 0.14	154452	-4.65	354441	100.16
JPY-INR	Feb 2021	69.30	69.30	69.17	69.26	↑ 0.05	38723	-0.69	45992	69.23

Currency Spot (Asian Trading)

Particulars	Open	High	Low	LTP	% Change
EURUSD	1.2048	1.2073	1.2045	1.2071	↑ 0.19
EURGBP	0.8768	0.8772	0.8764	0.8767	↓ -0.01
EURJPY	126.77	126.84	126.67	126.82	↑ 0.05
GBPJPY	144.57	144.67	144.46	144.63	↑ 0.04
GBPUSD	1.3737	1.3770	1.3732	1.3767	↑ 0.22
USDJPY	105.23	105.26	105.01	105.06	↓ -0.14

Economical Data

TIME	ZONE	DATA
12:30pm	EUR	German Trade Balance
2:30pm	EUR	Italian Industrial Production m/m
Tentative	EUR	German 10-y Bond Auction
4:30pm	USD	NFIB Small Business Index
8:30pm	USD	JOLTS Job Openings

Stock Indices

Index	Last	Change	Commodity	Last	Change
CAC40	5696.3	↑ 0.65	Gold\$	1837.7	↑ 0.41
DAX	14096.9	↑ 0.29	Silver\$	27.4	↑ 0.53
DJIA	31148.2	↑ 0.30	Crude\$	58.0	↑ 1.97
FTSE 100	7586.8	↓ -0.78	Copper \$	8077.0	↑ 0.04
HANG SENG	27777.8	↓ -1.31	Aluminium \$	2029.5	↑ 0.12
KOSPI	2029.5	↓ -0.23	Nickel\$	18260.0	↑ 0.41
NASDAQ	13856.3	↑ 0.57	Lead\$	2067.5	↓ -0.31
NIKKEI 225	21521.5	↓ -0.86	Zinc\$	2654.5	↑ 0.40

Commodity Update

FII/FPI trading activity on BSE, NSE in Capital Market Segment (In Rs. Cr)

Category	Date	Buy Value	Sell Value	Net Value
FII/FPI	8/2/2021	8,017.52	6,140.92	1,876.60

DII trading activity on BSE, NSE & MCX-SX in Capital Market Segment

Category	Date	Buy Value	Sell Value	Net Value
DII	8/2/2021	5,356.49	5,861.35	-504.86

Spread

Currency	Spread
NSE-CUR USDINR FEB-MAR	0.28
NSE-CUR EURINR FEB-MAR	0.38
NSE-CUR GBPINR FEB-MAR	0.37
NSE-CUR JPYINR FEB-MAR	0.27

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NSE-CUR USDINR Feb 2021



	Open	High	Low	Close
	73.09	73.19	72.95	73.10
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		73.21	73.32	73.45
		Support 1	Support 2	Support 3
	72.97	72.84	72.73	
Net Change	% Change	Open Interest	Volume	
0.03	0.04	3358696	1593369	

Trading Ideas for the Day

- # USDINR trading range for the day is 72.84-73.32.
- # USDINR remained in range as traders waited for more data on the U.S. economy, after a disappointing jobs report last week.
- # President Joe Biden and his Democrats are pushing ahead with \$1.9 trillion COVID-19 relief package.
- # India's foreign exchange reserves rose to \$590.19 billion compared with \$585.33 billion a week earlier

Market Snapshot

USDINR yesterday settled up by 0.04% at 73.1 remained in range as traders waited for more data on the U.S. economy, after a disappointing jobs report last week. Speculators have been reducing short positions in the dollar, but some analysts say better U.S. economic data and continued progress in fighting the COVID-19 pandemic will be needed for further dollar gains. President Joe Biden and his Democrats are pushing ahead with \$1.9 trillion COVID-19 relief package. House of Representatives Speaker Nancy Pelosi has predicted the final relief legislation could pass Congress before March 15. The Reserve Bank of India kept rates steady at record low levels as expected and said it would maintain support for the economy's recovery from the pandemic by ensuring ample liquidity for markets to absorb a massive government borrowing programme. "Going forward, the Indian economy is poised to move in only one direction and that is upwards. It is our strong conviction, backed by forecasts, that in 2021/22, we would undo the damage that COVID-19 has inflicted on the economy," Reserve Bank of India Governor Shaktikanta Das said after announcing the rate decision. The repo rate or RBI's key lending rate was held at 4% while the reverse repo rate or its borrowing rate was left unchanged at 3.35%. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/dollar at 72.8623 Technically market is under fresh buying as market has witnessed gain in open interest by 6.9% to settled at 3358696 while prices up 0.0325 rupees, now USDINR is getting support at 72.97 and below same could see a test of 72.84 levels, and resistance is now likely to be seen at 73.21, a move above could see prices testing 73.32.

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NSE-CUR EURINR Feb 2021



	Open	High	Low	Close
	87.83	88.01	87.82	87.99
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		88.06	88.13	88.25
		Support 1	Support 2	Support 3
	87.87	87.75	87.68	
Net Change	% Change	Open Interest	Volume	
	0.45	0.51	111442	143667

Trading Ideas for the Day

- # EURINR trading range for the day is 87.75-88.13.
- # Euro seen supported as dollar nursed losses as disappointing U.S. jobs data caused some investors to scale back bets on a rebound in the greenback.
- # Germany's factory orders declined more than expected in December largely due to weak demand from euro area amid strict lockdown restrictions
- # France's trade deficit narrowed in December from the previous month, data from customs office showed.

Market Snapshot

EURINR yesterday settled up by 0.51% at 87.99 as dollar nursed losses as disappointing U.S. jobs data caused some investors to scale back bets on a rebound in the greenback. Germany's factory orders declined more than expected in December largely due to weak demand from euro area amid strict lockdown restrictions, official data from Destatis revealed. Orders were down 1.9 percent on month, reversing a 2.7 percent rise in November, Destatis reported. This was bigger than the economists' forecast of -1 percent and marked the first drop since April 2020. Domestic orders dropped moderately by 0.9 percent. Meanwhile France's trade deficit narrowed in December from the previous month, data from customs office showed. The trade deficit fell to EUR 3.392 billion in December from EUR 3.786 billion in November. In the same period last year, the shortfall was EUR 3.709 billion. Speculators have been reducing short positions in the dollar, but better U.S. economic data and continued progress in fighting the COVID-19 pandemic will be needed for further dollar gains. Speculators' net bearish bets on the dollar fell to \$29.95 billion for the week ended Feb. 2, compared with a net short position of \$33.81 billion for the previous week, according to calculations by Reuters and U.S. Commodity Futures Trading Commission data. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/euro at 87.717 Technically market is under short covering as market has witnessed drop in open interest by -12.24% to settled at 111442 while prices up 0.4475 rupees, now EURINR is getting support at 87.87 and below same could see a test of 87.75 levels, and resistance is now likely to be seen at 88.06, a move above could see prices testing 88.13.

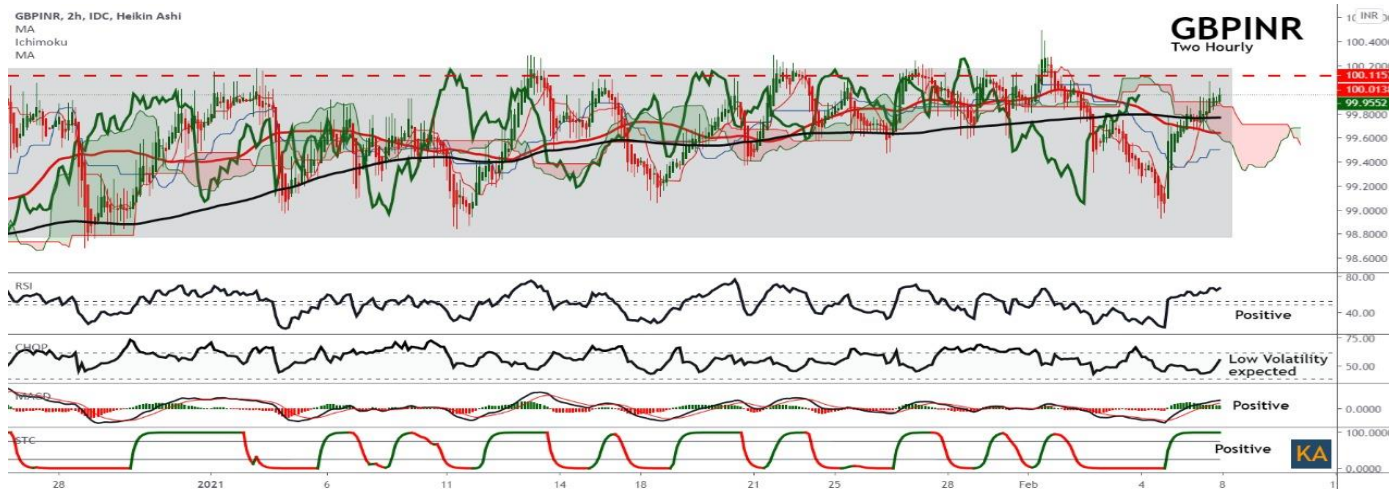
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NSE-CUR GBPINR Feb 2021

GBPINR, 2h, IDC, Heikin Ashi
MA
Ichimoku
MA



	Open	High	Low	Close
	100.11	100.30	100.04	100.07
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		100.23	100.40	100.50
		Support 1	Support 2	Support 3
		99.97	99.87	99.71
Net Change	% Change	Open Interest	Volume	
0.14	0.14	154452	354441	

Trading Ideas for the Day

- # GBPINR trading range for the day is 99.87-100.4.
- # GBP rose after the Bank of England's decision and its President Andrew Bailey's remarks.
- # President Bailey said that there are signs that the unemployment rate is higher than official data.
- # UK construction activity declined in January for the first time in eight months amid weakness in commercial activity and house building.

Market Snapshot

GBPINR yesterday settled up by 0.14% at 100.07 after the Bank of England's decision and its President Andrew Bailey's remarks. The Bank of England decided to keep the interest rate at 0.10% unchanged, also voted on keeping the asset purchase programme at £895 billion per month, on par with market's expectations. BoE President Bailey said that there are signs that the unemployment rate is higher than official data. However, Bailey projected that the British economy will recover in the coming period, supported by vaccination with promising vaccines like AstraZeneca, Pfizer-BoiNTech and Moderna vaccines, as all of which have been approved in the UK and Europe. UK construction activity declined in January for the first time in eight months amid weakness in commercial activity and house building. The CIPS UK Construction purchasing managers' index eased to 49.2 from 54.6 in December, survey data from IHS Markit showed. New order growth was the weakest since June last year as clients hesitated to place orders, especially for commercial projects, due to the third national lockdown and concerns about the near-term economic outlook. The UK service sector contracted at the fastest pace in eight months in January due to the impact of restrictions related to the Covid-19 pandemic on trade and temporary business closures amid the third national lockdown, final survey results from IHS Markit showed. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/British pound was fixed at 100.0433 Technically market is under short covering as market has witnessed drop in open interest by -4.65% to settled at 154452 while prices up 0.135 rupees, now GBPINR is getting support at 99.97 and below same could see a test of 99.87 levels, and resistance is now likely to be seen at 100.23, a move above could see prices testing 100.4.

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NSE-CUR JPYINR Feb 2021



	Open	High	Low	Close
	69.30	69.30	69.17	69.26
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		69.32	69.37	69.45
		Support 1	Support 2	Support 3
	69.19	69.11	69.06	
Net Change	% Change	Open Interest	Volume	
0.04	0.05	38723	45992	

Trading Ideas for the Day

- # JPYINR trading range for the day is 69.11-69.37.
- # JPY remained in range as dollar dropped as U.S. economy created fewer jobs than expected in January
- # Japan had a current account surplus of 1,165.6 billion yen in December, the Ministry of Finance said - up 113.9 percent on year.
- # Japan's leading index declined in December after rising in the previous month, preliminary data from the Cabinet Office showed

Market Snapshot

JPYINR yesterday settled up by 0.05% at 69.26 as dollar dropped as U.S. economy created fewer jobs than expected in January while job losses the previous month were deeper than initially reported, data at the end of last week showed. The release of U.S. consumer prices and consumer sentiment later this week will help determine whether a recent rise in inflation expectations and Treasury yields was justified. Japan had a current account surplus of 1,165.6 billion yen in December, the Ministry of Finance said - up 113.9 percent on year. Exports were up 0.3 percent on year to 6,561.5 billion yen after sinking 3.4 percent in November, Imports fell an annual 13.5 percent to 5,596.4 billion yen after dropping 13.6 percent in the previous month. Japan's leading index declined in December after rising in the previous month, preliminary data from the Cabinet Office showed. The leading index, which measures the future economic activity, fell to 94.9 in December from 96.1 in November. In October, the reading was 94.2. The coincident index decreased to 87.8 in December from 89.0 in the previous month. This was the lowest reading since September. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/100 Japanese yen at 69.05 Technically market is under short covering as market has witnessed drop in open interest by -0.69% to settled at 38723 while prices up 0.035 rupees, now JPYINR is getting support at 69.19 and below same could see a test of 69.11 levels, and resistance is now likely to be seen at 69.32, a move above could see prices testing 69.37.

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NEWS YOU CAN USE

The Bank of England said it would be appropriate for bankers to start preparing for negative rates even as policymakers refused to give any hint of a such a scenario in the near future. The nine-member Monetary Policy Committee, headed by Governor Andrew Bailey, unanimously voted to hold the interest rate at 0.10 percent and the quantitative easing at GBP 895 billion in the latest policy meeting. The MPC said policymakers did not wish to send any signal that they intended to set a negative bank rate at some point in the future. However, they concluded that it would be appropriate to start preparations to provide the capability to do so if necessary in the future. Banks would need six months to get ready for negative rates should it be pursued, the BoE said. The implementation of a negative rate over a shorter timeframe than six months would attract increased operational risk, the central bank cautioned.

New orders for U.S. manufactured goods showed another significant increase in the month of December, according to a report released by the Commerce Department on Thursday. The report said factory orders jumped by 1.1 percent in December after surging up by 1.3 percent for three consecutive months. The bigger than expected increase in factory orders came as orders for non-durable goods spiked by 1.7 percent, while orders for durable goods rose by an upwardly revised 0.5 percent. Shipments of manufactured goods also shot up by 1.7 percent in December following a 0.8 percent increase in November. The Commerce Department said inventories of manufactured goods also rose by 0.3 percent in December after climbing by 0.8 percent in the previous month. With shipments rising by more than inventories, the inventories-to-shipments ratio dropped to 1.39 in December from 1.41 in November.

Eurozone retail sales grew in December after a sharp fall in November, data from Eurostat revealed. Retail sales increased 2 percent month-on-month in December, in contrast to a fall of 5.7 percent in November. Sales were forecast to grow 1.6 percent. Sales of food, drinks and tobacco gained 1.9 percent and non-food product sales climbed 1.5 percent. Sales of automotive fuel in specialized stores advanced 5.1 percent. On a yearly basis, sales volume grew 0.6 percent, reversing a 2.2 percent drop in November. The small bounce back in December was because of new countries imposing restrictive measures while others loosened up for the holiday period. The modest rebound suggests that current lockdowns do significantly impair consumption despite online sales. In the EU27, retail sales grew 1.4 percent on month and by 0.5 percent annually in December.

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