

CURRENCY REPORT

KEDIA ADVISORY

Wednesday, February 17, 2021

Currency Table

Currency	Exp. Date	Open	High	Low	Close	Change	O.Int	% Cng OI	Volume	ATP
USD-INR	Feb 2021	72.67	72.88	72.67	72.78	↑ 0.09	3061354	-7.46	1770977	72.80
EUR-INR	Feb 2021	88.35	88.57	88.27	88.55	↑ 0.32	86549	-5.18	107547	88.43
GBP-INR	Feb 2021	101.30	101.45	101.24	101.36	↑ 0.26	237497	1.55	274978	101.35
JPY-INR	Feb 2021	68.95	69.22	68.85	69.19	↑ 0.15	33146	1.39	43109	69.05

Currency Spot (Asian Trading)

Particulars	Open	High	Low	LTP	% Change
EURUSD	1.2101	1.2105	1.2081	1.2094	↓ -0.07
EURGBP	0.8703	0.8719	0.8700	0.8712	↑ 0.08
EURJPY	128.38	128.46	128.10	128.15	↓ -0.18
GBPJPY	147.44	147.57	147.00	147.07	↓ -0.25
GBPUSD	1.3899	1.3906	1.3860	1.3881	↓ -0.14
USDJPY	106.08	106.23	105.91	105.96	↓ -0.12

Economical Data

TIME	ZONE	DATA
Tentative	EUR	German 30-y Bond Auction
7:00pm	USD	Core Retail Sales m/m
7:00pm	USD	Retail Sales m/m
7:00pm	USD	Core PPI m/m
7:00pm	USD	PPI m/m
7:45pm	USD	Capacity Utilization Rate
7:45pm	USD	Industrial Production m/m
8:30pm	USD	Business Inventories m/m
8:30pm	USD	NAHB Housing Market Index

Stock Indices

Index	Last	Change	Commodity	Last	Change
CAC40	5790.3	↑ 0.07	Gold\$	1792.9	↓ -0.06
DAX	14113.2	↑ 0.03	Silver\$	27.3	↑ 0.26
DJIA	31458.4	↑ 0.09	Crude\$	59.7	↑ 0.98
FTSE 100	7586.8	↓ -0.78	Copper \$	8425.0	↓ -0.02
HANG SENG	27777.8	↓ -1.31	Aluminium \$	2087.0	↓ -0.02
KOSPI	2029.5	↓ -0.23	Nickel\$	18775.0	↓ -0.29
NASDAQ	14095.5	↑ 0.50	Lead\$	2110.5	↑ 0.12
NIKKEI 225	21521.5	↓ -0.86	Zinc\$	2837.0	↓ -0.23

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	16/02/2021	6,825.94	5,681.85	1,144.09

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

Category	Date	Buy Value	Sell Value	Net Value
DII	16/02/2021	4,632.12	6,191.65	-1,559.53

Spread

Currency	Spread
NSE-CUR USDINR FEB-MAR	0.32
NSE-CUR EURINR FEB-MAR	0.37
NSE-CUR GBPINR FEB-MAR	0.35
NSE-CUR JPYINR FEB-MAR	0.28

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NSE-CUR USDINR Feb 2021



	Open	High	Low	Close
	72.67	72.88	72.67	72.78
Support and Resistance for the Day	72.6710			
	72.5800	Resit 1	Resit 2	Resit 3
		72.89	72.99	73.10
		Support 1	Support 2	Support 3
		72.68	72.57	72.47
Net Change	% Change	Open Interest	Volume	
0.06	0.09	3061354	1770977	

Trading Ideas for the Day

- # USDINR trading range for the day is 72.57-72.99.
- # USDINR settled flat as investors hoped for a quicker economic recovery in India helped by the COVID-19 vaccination rollout
- # RBI announces Rs 10,000 cr special OMOs on Feb 25
- # Exports rise 6.16 pc in Jan; trade deficit narrows to USD 14.54 bn

Market Snapshot

USDINR yesterday settled up by 0.09% at 72.7825 as investors hoped for a quicker economic recovery in India helped by the COVID-19 vaccination rollout and a growth-focused federal budget. Early this month, the Reserve Bank of India held interest rates at record low levels and pledged to continue its support to the economy amid the pandemic crisis. On the economic data front, the country's retail inflation stayed within the central bank's target range for the second consecutive month in January. The Reserve Bank of India (RBI) said that it will conduct simultaneous sale and purchase of government bonds under special open market operations (OMOs) on February 25. Growing for the second consecutive month, the country's exports rose 6.16 per cent year-on-year to USD 27.45 billion in January 2021 following healthy growth in pharma and engineering sectors, according to provisional data of the commerce ministry. Trade deficit during the month narrowed to USD 14.54 billion from USD 15.3 billion in January 2020. It was USD 15.44 billion in December 2020. Imports in January 2021 rose 2 per cent to USD 42 billion. Exports of pharmaceuticals and engineering grew 16.4 per cent (USD 2 billion), and about 19 per cent (USD 7.4 billion), respectively, the data showed. In December 2020, the country's merchandise exports had recorded a growth of 0.14 per cent. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/dollar at 72.7219. Technically market is under short covering as market has witnessed drop in open interest by -7.46% to settled at 3061354 while prices up 0.0625 rupees, now USDINR is getting support at 72.68 and below same could see a test of 72.57 levels, and resistance is now likely to be seen at 72.89, a move above could see prices testing 72.99.

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NSE-CUR EURINR Feb 2021



	Open	High	Low	Close
	88.35	88.57	88.27	88.55
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	88.65	88.76	88.95	
	Support 1	Support 2	Support 3	
	88.35	88.16	88.05	
Net Change	% Change	Open Interest	Volume	
0.28	0.32	86549	107547	

Trading Ideas for the Day

- # EURINR trading range for the day is 88.16-88.76.
- # Euro remained supported as Euro zone finance ministers agreed that supportive measures for the economy
- # Euro area trade balance was at a surplus of €27.5 billion during January, beating forecasts of a surplus by €22.3 billion.
- # The Euro area industrial output index fell 1.6% in January, worse than forecasts of a drop by 0.4%.

Market Snapshot

EURINR yesterday settled up by 0.32% at 88.545 as Euro zone finance ministers agreed that supportive measures for the economy, helping it survive the COVID-19 pandemic crisis, should stay in place as long as needed, the chairman of the ministers Paschal Donohoe said. Donohoe told after talks of the ministers that they would work out a common approach on the euro zone's budgetary stance for 2022 "by the summer", but that as the recovery gathers pace governments would have to move from blanket support to all companies, to more targeted measures. He said the ministers would continue talks on how to handle the transition in April, including a more detailed discussion on how to identify companies that are viable and in need of further support and which should be allowed to fail in an orderly way. The Euro area industrial output index fell 1.6% in January, worse than forecasts of a drop by 0.4%. The markets are focused on the ongoing discussions between the White House and the US Congress over President Joe Biden's \$1.9 trillion Covid-19 relief plan. German Finance Minister Olaf Scholz lauded Italy's new Prime Minister Mario Draghi as a "true European" with expertise in fiscal policy, adding he was confident Rome would quickly present a reform package to unleash European recovery funds. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/euro at 88.2587 Technically market is under short covering as market has witnessed drop in open interest by -5.18% to settled at 86549 while prices up 0.2825 rupees, now EURINR is getting support at 88.35 and below same could see a test of 88.16 levels, and resistance is now likely to be seen at 88.65, a move above could see prices testing 88.76.

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NSE-CUR GBPINR Feb 2021



	Open	High	Low	Close
	101.30	101.45	101.24	101.36
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	101.46	101.56	101.67	
	Support 1	Support 2	Support 3	
	101.25	101.14	101.04	
Net Change	% Change	Open Interest	Volume	
0.26	0.26	237497	274978	

Trading Ideas for the Day

- # GBPINR trading range for the day is 101.14-101.56.
- # GBP rose lifted by broad-based dollar weakness as well as Britain's success in rolling out the COVID-19 vaccine.
- # Brexit, COVID cast shadow over UK finance tax contributions, report says
- # Prime Minister Boris Johnson has said that he will announce details about the schedule for easing lockdown restrictions in the UK on Feb. 22.

Market Snapshot

GBPINR yesterday settled up by 0.26% at 101.36 lifted by broad-based dollar weakness as well as Britain's success in rolling out the COVID-19 vaccine. The currency has been a key gainer against a struggling greenback this month as the aggressive rollout of the vaccination programme in the United Kingdom raises hopes its economy will be able to recover quickly, compared to its European peers. Britain's financial sector paid 75.6 billion pounds (\$104.08 billion) in tax in 2020, but receipts are forecast to drop this year as unfettered access to the European Union ends and fallout from the pandemic continues, a report said. The City of London Corporation, which administers the capital's historic financial district, said the tax contribution in the year to March 2020 was little changed from 75.5 billion pounds in the prior period, despite uncertainties over Britain's future relations with the European Union. "The transition to new trading arrangements between the UK and the EU will put further downward pressure on the recovery of the financial services sector," the report said. The UK economy is set to contract more than the previous projection as stringent Covid-19 restrictions are expected to remain elevated until early spring, along with the effects of post-Brexit adjustment, the National Institute of Social and Economic research said. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/British pound was fixed at 101.3297 Technically market is under fresh buying as market has witnessed gain in open interest by 1.55% to settled at 237497 while prices up 0.2625 rupees, now GBPINR is getting support at 101.25 and below same could see a test of 101.14 levels, and resistance is now likely to be seen at 101.46, a move above could see prices testing 101.56.

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NSE-CUR JPYINR Feb 2021



	Open	High	Low	Close
	68.95	69.22	68.85	69.19
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		69.32	69.46	69.69
		Support 1	Support 2	Support 3
	68.95	68.72	68.58	
Net Change	% Change	Open Interest	Volume	
0.11	0.15	33146	43109	

Trading Ideas for the Day

- # JPYINR trading range for the day is 68.72-69.46.
- # JPY recovered as Bank of Japan Governor Haruhiko Kuroda defended the BoJ's ultra-loose monetary policy
- # Japan's gross domestic product expanded a seasonally adjusted 3.0 percent on quarter in the fourth quarter of 2020
- # Japan's industrial production declined less than estimated in December

Market Snapshot

JPYINR yesterday settled up by 0.15% at 69.19 as Bank of Japan Governor Haruhiko Kuroda defended the BoJ's ultra-loose monetary policy, stressing that it was premature to debate an exit from the central bank's huge purchases and holdings of exchange-traded funds while the coronavirus pandemic continues to ravage the economy. Bank of Japan Governor Haruhiko Kuroda said the central bank had no plan now to end or "permanently reduce" its purchases of exchange-traded funds (ETFs). "We are aware of various problems being pointed out about our ETF buying. But the policy has had a positive impact on the economy and prices," Kuroda told parliament, adding that the BOJ would look into ways to address the side-effects of its asset-buying programme. Japan's gross domestic product expanded a seasonally adjusted 3.0 percent on quarter in the fourth quarter of 2020, the Cabinet Office said in preliminary report. That exceeded expectations for an increase of 2.3 percent following the 5.3 percent gain in the previous three months. On an annualized basis, GDP spiked 12.7 percent - again beating forecasts for a gain of 9.5 percent following the 22.9 percent surge in the three months prior. Japan's industrial production declined less than estimated in December, final data from the Ministry of Economy, Trade and Industry showed. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/100 Japanese yen at 68.91. Technically market is under fresh buying as market has witnessed gain in open interest by 1.39% to settled at 33146 while prices up 0.105 rupees, now JPYINR is getting support at 68.95 and below same could see a test of 68.72 levels, and resistance is now likely to be seen at 69.32, a move above could see prices testing 69.46.

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NEWS YOU CAN USE

Growing for the second consecutive month, the country's exports rose 6.16 per cent year-on-year to USD 27.45 billion in January 2021 following healthy growth in pharma and engineering sectors, according to provisional data of the commerce ministry. Trade deficit during the month narrowed to USD 14.54 billion from USD 15.3 billion in January 2020. It was USD 15.44 billion in December 2020. Imports in January 2021 rose 2 per cent to USD 42 billion. Exports of pharmaceuticals and engineering grew 16.4 per cent (USD 2 billion), and about 19 per cent (USD 7.4 billion), respectively, the data showed. Other sectors which recorded growth included oil meals, iron ore, tobacco, rice, fruits and vegetables, carpets, handicrafts, spices, tea, cashew, plastic and chemicals. Export sectors which recorded negative growth included petroleum products (-32 per cent), ready-made garments of all textiles (-10.73 per cent), and leather (-18.6 per cent). In December 2020, the country's merchandise exports had recorded a growth of 0.14 per cent. Imports of gold jumped by about 155 per cent to USD 4 billion in January this year.

Japan's economy will suffer a much bigger contraction than initially expected in the January-March quarter, as an extended state of emergency to contain the coronavirus pandemic hurt corporate and household spending. The downgrade is largely due to the government's decision in January to roll out renewed restrictions to combat a spike in infections in Tokyo and several other prefectures. Core consumer prices, which exclude volatile fresh food prices, will fall 0.5% this fiscal year and grow only 0.2% next fiscal year, according to the poll, unchanged from projections made in the previous month. More than half of respondents expected the Bank of Japan's next policy move to be an unwinding of stimulus, though most do not expect this to happen until 2023 or later. Adding to the uncertainty is the fate of the already delayed Tokyo Olympic Games as the government struggles to roll out vaccines and faces heat for its slow progress in containing the pandemic.

Britain's financial sector paid 75.6 billion pounds (\$104.08 billion) in tax in 2020, but receipts are forecast to drop this year as unfettered access to the European Union ends and fallout from the pandemic continues, a report said. The City of London Corporation, which administers the capital's historic financial district, said the tax contribution in the year to March 2020 was little changed from 75.5 billion pounds in the prior period, despite uncertainties over Britain's future relations with the European Union. "The transition to new trading arrangements between the UK and the EU will put further downward pressure on the recovery of the financial services sector," the report said. Britain's trade deal with the bloc from January 1 does not cover financial services, with the City likely to get only limited access to the EU for the foreseeable future. Financial services exports to the EU in recent years have totalled about 26 billion pounds annually, but some of this activity has already moved to the bloc. "However, the future is uncertain, and we do not yet know the long-term impacts of the pandemic, Brexit and changes in ways of working," City leader Catherine McGuinness said.

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