

CURRENCY REPORT

KEDIA ADVISORY

Wednesday, June 2, 2021

Currency Table

Currency	Exp. Date	Open	High	Low	Close	Change	O.Int	% Cng OI	Volume	ATP
USD-INR	Jun 2021	72.88	73.22	72.78	73.17	↑ 0.37	2566003	0.00	2132616	73.05
EUR-INR	Jun 2021	89.01	89.55	89.01	89.43	↑ 0.62	117941	14.89	183062	89.34
GBP-INR	Jun 2021	103.60	104.01	103.60	103.72	↑ 0.42	147895	11.70	295219	103.77
JPY-INR	Jun 2021	66.52	66.81	66.52	66.76	↑ 0.42	29508	-7.76	34233	66.69

Currency Spot (Asian Trading)

Particulars	Open	High	Low	LTP	% Change
EURUSD	1.2213	1.2227	1.2210	1.2225	↑ 0.09
EURGBP	0.8630	0.8636	0.8625	0.8633	↑ 0.03
EURJPY	133.70	134.02	133.67	134.00	↑ 0.22
GBPJPY	154.81	155.27	154.78	155.19	↑ 0.25
GBPUSD	1.4147	1.4164	1.4143	1.4159	↑ 0.09
USDJPY	109.46	109.66	109.30	109.61	↑ 0.15

Economical Data

TIME	ZONE	DATA
11:30am	EUR	German Retail Sales m/m
12:15pm	EUR	French Gov Budget Balance
12:30pm	EUR	Spanish Unemployment Change
All Day	EUR	Italian Bank Holiday
2:30pm	EUR	PPI m/m
Tentative	EUR	French 10-y Bond Auction
All Day	USD	Wards Total Vehicle Sales
9:15pm	EUR	German Buba President Weidmann
11:30pm	USD	Beige Book
11:30pm	USD	FOMC Member Bostic Speaks
11:30pm	USD	FOMC Member Evans Speaks

Stock Indices

Index	Last	Change	Commodity	Last	Change
CAC40	6504.1	↑ 0.88	Gold\$	1899.2	↓ -0.04
DAX	15653.0	↑ 1.50	Silver\$	27.8	↓ -0.18
DJIA	34529.5	↑ 0.19	Crude\$	67.9	↑ 2.11
FTSE 100	7586.8	↓ -0.78	Copper \$	10269.0	↑ 0.29
HANG SENG	27777.8	↓ -1.31	Aluminium \$	2481.0	↓ -0.04
KOSPI	2029.5	↓ -0.23	Nickel\$	18200.0	↑ 0.58
NASDAQ	13748.7	↑ 0.09	Lead\$	2207.5	↓ -0.05
NIKKEI 225	21521.5	↓ -0.86	Zinc\$	3067.0	↑ 0.08

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	1/6/2021	4,507.92	4,957.78	-449.86

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

Category	Date	Buy Value	Sell Value	Net Value
DII	1/6/2021	4,507.92	4,957.78	-449.86

Spread

Currency	Spread
NSE-CUR USDINR JUN-JUL	0.32
NSE-CUR EURINR JUN-JUL	0.43
NSE-CUR GBPINR JUN-JUL	0.44
NSE-CUR JPYINR JUN-JUL	0.30

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NSE-CUR USDINR Jun 2021



	Open	High	Low	Close
	72.88	73.22	72.78	73.17
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		73.33	73.49	73.77
		Support 1	Support 2	Support 3
	72.89	72.61	72.45	
Net Change	% Change	Open Interest	Volume	
0.27	0.37	2566003	2132616	

Trading Ideas for the Day

- # USDINR trading range for the day is 72.61-73.49.
- # USDINR gained as India's factory activity growth slowed significantly in May as a rise in coronavirus cases whacked new orders and output.
- # India GDP growth beats forecasts at 1.6% in Q1
- # Moody's pegs India GDP growth at 9.3% in FY22

Market Snapshot

USDINR yesterday settled up by 0.37% at 73.165 as India's factory activity growth slowed significantly in May as a rise in coronavirus cases whacked new orders and output. India's manufacturing activity declined in May compared to April but indicated improvement in business conditions, data released by analytics firm IHS Markit showed. The seasonally adjusted Purchasing Managers' Index (PMI) for manufacturing stood at 50.8 in May, down from 55.5 in April and moving closer to the no-change mark of 50.0. The Indian economy expanded 1.6 percent year-on-year in the first quarter of 2021, beating market forecasts of 1 percent and marking the second straight quarter of growth since the country exit a pandemic-induced recession. Asia's third largest economy is still expected to grow at the world's fastest rate despite projections for the current quarter being more pessimistic amid the second flare up of infections in April. Moody's Investors Service pegged India's GDP growth at 9.3 percent in the current fiscal ending March 2022 and 7.9 percent in FY23. "The reimposition of lockdown measures along with behavioural changes on fear of contagion will curb economic activity, but we do not expect the impact to be as severe as during the first wave. India's economy contracted by 7.3 percent in fiscal 2020-21. The pandemic, it said, will leave new economic scars and deepen pre-pandemic constraints. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/dollar at 72.7714 Technically market is under short covering as market has witnessed remain unchanged in open interest by 0% to settled at 2566003 while prices up 0.27 rupees, now USDINR is getting support at 72.89 and below same could see a test of 72.61 levels, and resistance is now likely to be seen at 73.33, a move above could see prices testing 73.49.

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NSE-CUR EURINR Jun 2021



	Open	High	Low	Close
	89.01	89.55	89.01	89.43
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		89.65	89.87	90.19
		Support 1	Support 2	Support 3
	89.11	88.79	88.57	
Net Change	% Change	Open Interest	Volume	
0.56	0.62	117941	183062	

Trading Ideas for the Day

- # EURINR trading range for the day is 88.79-89.87.
- # Euro remained supported after data showed Germany's annual consumer price inflation accelerated in May
- # EU to kick off pandemic plan with 10 bln euro bond issue – French minister
- # ECB's Lane, said the bank had a "lot of work to do" to raise inflation back to its 2% goal and market talk of rapidly rising prices is misplaced.

Market Snapshot

EURINR yesterday settled up by 0.62% at 89.4275 after data showed Germany's annual consumer price inflation accelerated in May, advancing further above the European Central Bank's target of close to but below 2%, the Federal Statistics Office said. Consumer prices, harmonised to make them comparable with inflation data from other European Union countries, rose by 2.4% in May, up from 2.1% in April. The ECB's chief economist, Philip Lane, said earlier this month the bank had a "lot of work to do" to raise inflation back to its 2% goal and market talk of rapidly rising prices is misplaced. Euro zone inflation is approaching 2%, its fastest rate in years, on the back of fiscal support and the unwinding of last year's oil price crash, prompting some commentators to predict a new era of inflation. But Lane pushed back on this narrative, arguing that the labour market will take years to get back to its pre-crisis level, corporate balance sheets are depleted and the economic rebound is still predicated on copious central bank and government support. The European Union plans to kick off its 750 billion euro (\$917 billion) pandemic recovery package with an initial 10 billion euro bond issue, France's junior minister for European affairs, Clement Beaune, said. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/euro at 88.9587. Technically market is under fresh buying as market has witnessed gain in open interest by 14.89% to settled at 117941 while prices up 0.555 rupees, now EURINR is getting support at 89.11 and below same could see a test of 88.79 levels, and resistance is now likely to be seen at 89.65, a move above could see prices testing 89.87.

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NSE-CUR GBPINR Jun 2021



	Open	High	Low	Close
	103.60	104.01	103.60	103.72
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		103.95	104.19	104.36
		Support 1	Support 2	Support 3
	103.54	103.37	103.13	
Net Change		% Change	Open Interest	Volume
	0.44	0.42	147895	295219

Trading Ideas for the Day

- # GBPINR trading range for the day is 103.37-104.19.
- # GBP remained supported on rising expectations of an earlier than expected rate hike by the Bank of England.
- # A Bank of England policymaker said the central bank was likely to raise rates well into next year.
- # Gertjan Vlieghe also noted an increase could come earlier if the economy rebounds more quickly than expected.

Market Snapshot

GBPINR yesterday settled up by 0.42% at 103.7175 on rising expectations of an earlier than expected rate hike by the Bank of England. A Bank of England policymaker said the central bank was likely to raise rates well into next year. Gertjan Vlieghe also noted an increase could come earlier if the economy rebounds more quickly than expected. The decision to lift final lockdown measures in England on June 21 will be made after data on infection, hospitalisation, vaccination and new variants are assessed, Vaccines Minister Nadhim Zahawi said. COVID restrictions have been eased in stages in England, Scotland, Wales and Northern Ireland as infection levels, hospitalisations and deaths fell. Prime Minister Boris Johnson, however, warned that the spread of the coronavirus variant first identified in India could delay the final stage. UK car production increased sharply in April compared to the pandemic hit month in 2020 but remained below its 2019 level, the Society of Motor Manufacturers and Traders, or SMMT, said. Factories manufactured 68,306 cars in April compared to just 197 a year ago when Covid restrictions effectively halted manufacturing. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/British pound was fixed at 103.4906 Technically market is under fresh buying as market has witnessed gain in open interest by 11.7% to settled at 147895 while prices up 0.4375 rupees, now GBPINR is getting support at 103.54 and below same could see a test of 103.37 levels, and resistance is now likely to be seen at 103.95, a move above could see prices testing 104.19.

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NSE-CUR JPYINR Jun 2021



	Open	High	Low	Close
	66.52	66.81	66.52	66.76
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		66.87	66.99	67.16
		Support 1	Support 2	Support 3
	66.58	66.41	66.29	
Net Change	% Change	Open Interest	Volume	
0.28	0.42	29508	34233	

Trading Ideas for the Day

- # JPYINR trading range for the day is 66.41-66.99.
- # JPY remained supported as sentiment was boosted after Manufacturing PMI was revised higher in May while still easing slightly from the previous month.
- # Japan's Q1 capex falls for 4th straight quarter
- # Japan's capital spending extends declines as firms tighten purse strings

Market Snapshot

JPYINR yesterday settled up by 0.42% at 66.7575 as sentiment was boosted after the au Jibun Bank Japan Manufacturing PMI was revised higher in May while still easing slightly from the previous month. On the coronavirus front, the Japanese government extended the COVID-19 state of emergency in Tokyo, Osaka and seven other prefectures by three weeks to June 20. Japanese companies cut spending on plant and equipment for the fourth consecutive quarter in January-March, as the economy struggles to shake off the drag from the coronavirus pandemic. A slow recovery of firms' propensity to spend is likely to worry policymakers hoping strong domestic demand can help make the country's economic recovery more sustainable. Ministry of Finance (MOF) data showed capital expenditure in the first quarter fell 7.8% from the same period last year, pulled down by weaker investments in transportation equipment, electrical machinery and real estate. It marked the fourth quarter of an annual decline in capital expenditure in a row, after posting a 4.8% contraction the final quarter of last year. The world's third-largest economy slumped back into decline in the first quarter as a slow vaccine rollout and repeated emergency curbs put in place to halt a resurgence of infections hurt domestic demand. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/100 Japanese yen at 66.48. Technically market is under short covering as market has witnessed drop in open interest by -7.76% to settled at 29508 while prices up 0.2775 rupees, now JPYINR is getting support at 66.58 and below same could see a test of 66.41 levels, and resistance is now likely to be seen at 66.87, a move above could see prices testing 66.99.

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NEWS YOU CAN USE

Japanese companies cut spending on plant and equipment for the fourth straight quarter in January-March, as the economy struggles to shake off the drag from the coronavirus pandemic. Weak business spending is likely to worry policymakers hoping strong domestic demand can help make the country's economic recovery more sustainable. Ministry of Finance (MOF) data showed capital expenditure in the first quarter fell 7.8% from the same period last year, pulled down by weaker investments in transportation equipment, electrical machinery and real estate. It marked the fourth consecutive quarter of annual decline in capital expenditure, after a 4.8% contraction the final quarter of last year. A separate, private-sector survey on Tuesday showed Japan's factory activity expanded in May, largely thanks to strong external demand, but at a slower pace. The world's third-largest economy slumped back into decline in the first quarter as a slow vaccine rollout and repeated emergency curbs to halt a resurgence of infections hurt domestic demand.

Germany's annual consumer price inflation accelerated in May, advancing further above the European Central Bank's target of close to but below 2%, the Federal Statistics Office said. Consumer prices, harmonised to make them comparable with inflation data from other European Union countries, rose by 2.4% in May, up from 2.1% in April. The ECB's chief economist, Philip Lane, said earlier this month the bank had a "lot of work to do" to raise inflation back to its 2% goal and market talk of rapidly rising prices is misplaced. Euro zone inflation is approaching 2%, its fastest rate in years, on the back of fiscal support and the unwinding of last year's oil price crash, prompting some commentators to predict a new era of inflation. But Lane pushed back on this narrative, arguing that the labour market will take years to get back to its pre-crisis level, corporate balance sheets are depleted and the economic rebound is still predicated on copious central bank and government support.

Asia's factory activity continued to expand in May thanks to an ongoing recovery in global demand, surveys showed, though rising raw material costs and supply chain constraints clouded the outlook. Japan and South Korea saw an expansion in factory activity moderate in May, purchasing managers' indexes (PMI) showed, underscoring the fragile nature of their recoveries. China's factory activity expanded at the fastest pace this year in May on solid demand at home and overseas, though sharp rises in input prices and strains in supply chains crimped some firms' production, a survey showed. The Caixin/Markit Manufacturing PMI, which focuses on smaller firms, rose to 52.0 last month, the highest since December and inching up from April's 51.9. The survey followed China's official PMI, which showed factory activity in the world's second-largest economy slowed slightly in May on surging raw material costs.

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