

CURRENCY REPORT

KEDIA ADVISORY

Friday, March 19, 2021

Currency Table

Currency	Exp. Date	Open	High	Low	Close	Change	O.Int	% Cng OI	Volume	ATP
USD-INR	Mar 2021	72.50	72.72	72.45	72.59	↓ -0.10	2424628	-1.19	1881481	72.61
EUR-INR	Mar 2021	87.20	87.20	86.70	86.76	↑ 0.24	91969	-10.33	110515	86.84
GBP-INR	Mar 2021	101.05	101.57	101.05	101.51	↑ 0.46	132218	-1.14	239352	101.39
JPY-INR	Mar 2021	66.66	66.75	66.55	66.64	↑ 0.03	41162	-0.67	39676	66.65

Currency Spot (Asian Trading)

Particulars	Open	High	Low	LTP	% Change
EURUSD	1.1914	1.1921	1.1901	1.1904	↓ -0.09
EURGBP	0.8553	0.8569	0.8547	0.8557	↑ 0.08
EURJPY	129.77	129.93	129.65	129.81	↑ 0.05
GBPJPY	151.62	151.84	151.52	151.63	↓ -0.03
GBPUSD	1.3928	1.3934	1.3890	1.3908	↓ -0.12
USDJPY	108.93	109.11	108.83	109.04	↑ 0.13

Economical Data

TIME	ZONE	DATA
12:30pm	EUR	German PPI m/m

Stock Indices

Index	Last	Change	Commodity	Last	Change
CAC40	6063.8	↑	Gold\$	1729.2	↓ -0.41
DAX	14757.4	↑	Silver\$	25.9	↓ -0.51
DJIA	33015.4	↑	Crude\$	59.9	↓ -7.12
FTSE 100	7586.8	↓	Copper \$	8993.5	↓ -0.05
HANG SENG	27777.8	↓	Aluminium \$	2207.5	↓ -0.34
KOSPI	2029.5	↓	Nickel\$	16085.0	↑ 0.44
NASDAQ	13525.2	↑	Lead\$	1936.5	↑ 0.49
NIKKEI 225	21521.5	↓	Zinc\$	2792.0	↑ 0.58

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

Category	Date	Buy Value	Sell Value	Net Value
FII/FPI	18/03/2021	7,994.23	6,735.76	1,258.47

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

Category	Date	Buy Value	Sell Value	Net Value
DII	18/03/2021	4,692.90	5,809.07	-1,116.17

Spread

Currency	Spread
NSE-CUR USDINR MAR-APR	0.39
NSE-CUR EURINR MAR-APR	0.52
NSE-CUR GBPINR MAR-APR	0.52
NSE-CUR JPYINR MAR-APR	0.36

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NSE-CUR USDINR Mar 2021



	Open	High	Low	Close
	72.50	72.72	72.45	72.59
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	72.72	72.85	72.98	
	Support 1	Support 2	Support 3	
	72.46	72.33	72.20	
Net Change	% Change	Open Interest	Volume	
-0.07	-0.1	2424628	1881481	

Trading Ideas for the Day

- # USDINR trading range for the day is 72.33-72.85.
- # USDINR ended with small losses as U.S. bond yields surged following the Federal Reserve's decision to maintain its dovish stance.
- # India's government is likely to leave the inflation targeting band for its central bank unchanged
- # India's central bank may have to delay the start of monetary policy normalisation by three months amid rising COVID-19 cases

Market Snapshot

USDINR yesterday settled down by -0.1% at 72.5925 as U.S. bond yields surged following the Federal Reserve's decision to maintain its dovish stance. The Federal Reserve pledged to keep the near-zero rate outlook for at least 2023 despite strong growth and inflation outlook. Fed Chair also reiterated any rise in inflation would likely be temporary and showed no concerns over the recent bond sell-off. Still, the message failed to calm investors' concerns over price pressures. Investors expected a more hawkish tone from the US central bank given the successful vaccine rollout and recently agreed on fiscal stimulus. India's government is likely to leave the inflation targeting band for its central bank unchanged, while policy makers remain focused on rising prices amid the rebound from the pandemic. India's central bank may have to delay the start of monetary policy normalisation by three months amid rising COVID-19 cases, but barring the return of stringent lockdowns there is no significant threat to the economy's recovery. India needs to take quick and decisive steps soon to stop an emerging second "peak" of COVID-19 infections, Prime Minister Narendra Modi said. The Reserve Bank of India has repeatedly assured bond markets of ample liquidity being maintained to support the recovery, but in early January said it wanted to start restoring normal liquidity operations in a phased manner. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/dollar at 72.5248. Technically market is under long liquidation as market has witnessed drop in open interest by -1.19% to settled at 2424628 while prices down -0.0725 rupees, now USDINR is getting support at 72.46 and below same could see a test of 72.33 levels, and resistance is now likely to be seen at 72.72, a move above could see prices testing 72.85.

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NSE-CUR EURINR Mar 2021



	Open	High	Low	Close
	87.20	87.20	86.70	86.76
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		87.07	87.38	87.56
		Support 1	Support 2	Support 3
		86.58	86.40	86.09
Net Change	% Change	Open Interest	Volume	
	0.21	0.24	91969	110515

Trading Ideas for the Day

- # EURINR trading range for the day is 86.4-87.38.
- # Euro seen supported as dollar was on the defensive after the Federal Reserve signalled it was in no hurry to raise interest rates through all of 2023
- # German economy to shrink by 2% in first quarter
- # German government's council of economic advisers council cut its full-year 2021 gross domestic product growth forecast to 3.1% from 3.7% previously.

Market Snapshot

EURINR yesterday settled up by 0.24% at 86.76 as dollar was on the defensive after the Federal Reserve signalled it was in no hurry to raise interest rates through all of 2023 even as it saw a V-shaped recovery in the world's largest economy. The German government's council of economic advisers said it expected Europe's largest economy to shrink by roughly 2% in the first quarter of this year due to lockdown measures to contain the COVID-19 pandemic. The council cut its full-year 2021 gross domestic product growth forecast to 3.1% from 3.7% previously. It expects the economy to reach its pre-crisis level at the turn of the year 2021/22 and to grow by 4% next year. "The biggest downside risk remains the development of the coronavirus pandemic. The question how quickly the economy can get to normal mainly hinges on the vaccination progress," the council said in a statement, giving the first official forecast for the impact in the first three months of the year. The European Union's drug regulator is investigating the reports of blood clots, bleeding and low platelet counts and will report its findings on Thursday. AstraZeneca has said a review of safety data had shown no evidence of an increased risk of clots. Council member Veronika Grimm said the AstraZeneca shot was needed to speed up Germany's already slow vaccination campaign. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/euro at 86.8117 Technically market is under short covering as market has witnessed drop in open interest by -10.33% to settled at 91969 while prices up 0.2075 rupees, now EURINR is getting support at 86.58 and below same could see a test of 86.4 levels, and resistance is now likely to be seen at 87.07, a move above could see prices testing 87.38.

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NSE-CUR GBPINR Mar 2021



	Open	High	Low	Close
	101.05	101.57	101.05	101.51
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		101.70	101.90	102.22
		Support 1	Support 2	Support 3
	101.18	100.86	100.66	
Net Change	% Change	Open Interest	Volume	
	0.46	0.46	132218	239352

Trading Ideas for the Day

- # GBPINR trading range for the day is 100.86-101.9.
- # GBP gained supported by hopes for a quicker economic recovery in the UK due to the continued success of the vaccination rollout program
- # Lockdown, trade woes stunt UK economy ahead of 2021 recovery
- # In recent session, prices seen supported by hopes for a quicker economic recovery in the UK due to the continued success of the vaccination rollout programme

Market Snapshot

GBPINR yesterday settled up by 0.46% at 101.505 supported by hopes for a quicker economic recovery in the UK due to the continued success of the vaccination rollout program coupled with massive fiscal and monetary stimulus packages. Bank of England Governor Andrew Bailey said that the UK economy would contract by 4% in the first quarter from the same period last year and by 19% compared to the first three months of 2019, and warned about the negative impact of negative yields on company savings and investments. Bailey also said that inflation would remain below the 2% target but would rise temporarily due to public support measures. In recent session, prices seen supported by hopes for a quicker economic recovery in the UK due to the continued success of the vaccination rollout programme coupled with massive fiscal and monetary stimulus packages. Britain's economy has endured a torrid start to 2021, hit by a new COVID-19 lockdown and disruption caused by the country's less open trade relationship with the European Union. While better days are ahead, Bank of England officials meeting ahead of Thursday's monetary policy announcement must weigh up the likely strength of the recovery, the lasting damage caused by the pandemic, and how much inflation might result. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/British pound was fixed at 101.2688 Technically market is under short covering as market has witnessed drop in open interest by -1.14% to settled at 132218 while prices up 0.46 rupees, now GBPINR is getting support at 101.18 and below same could see a test of 100.86 levels, and resistance is now likely to be seen at 101.7, a move above could see prices testing 101.9.

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NSE-CUR JPYINR Mar 2021



	Open	High	Low	Close
	66.66	66.75	66.55	66.64
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	66.74	66.85	66.94	
	Support 1	Support 2	Support 3	
	66.54	66.45	66.34	
Net Change	% Change	Open Interest	Volume	
0.02	0.03	41162	39676	

Trading Ideas for the Day

- # JPYINR trading range for the day is 66.45-66.85.
- # JPY recovered from lows following Bank of Japan Governor Haruhiko Kuroda's remarks about the monetary stimulus program.
- # Japan PM Suga signals intention to end COVID-19 curbs as scheduled
- # Kuroda hinted that the BoJ may begin to gradually end the quantitative easing program starting from its BOJ's two-day rate review on Friday.

Market Snapshot

JPYINR yesterday settled up by 0.03% at 66.64 following Bank of Japan Governor Haruhiko Kuroda's remarks about the monetary stimulus program. Kuroda hinted that the BoJ may begin to gradually end the quantitative easing program starting from its BOJ's two-day rate review on Friday. Kuroda emphasized that the real borrowing costs remain cheap due to aggressive monetary easing, which is a milestone for this huge program during Kuroda's term of leading the BoJ. Data showed that the Japanese industrial production index rose 4.3% during February, beating forecasts of 4.2%. Japanese Prime Minister Yoshihide Suga signalled his intention to end state of emergency curbs to prevent the spread of the coronavirus when they expire on Sunday. Hospital bed conditions in the capital region have improved enough to allow for the measures to be lifted, Suga said. "I will make a final decision towards ending the curbs, after listening to the views of experts," Suga told reporters. The government declared a state of emergency around New Year's as Japan's third and deadliest wave of COVID-19 cases took its toll. Most prefectures affected by the declaration lifted the measures at the end of February, but greater Tokyo has remained under watch as the decline in new infections slowed. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/100 Japanese yen at 66.61. Technically market is under short covering as market has witnessed drop in open interest by -0.67% to settled at 41162 while prices up 0.0225 rupees, now JPYINR is getting support at 66.54 and below same could see a test of 66.45 levels, and resistance is now likely to be seen at 66.74, a move above could see prices testing 66.85.

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NEWS YOU CAN USE

The Federal Reserve projected a rapid jump in U.S. economic growth and inflation this year as the COVID-19 crisis winds down, and repeated its pledge to keep its target interest rate near zero for years to come. The U.S. central bank now sees the economy growing 6.5% this year – predicting the largest annual output growth since 1984 – and the unemployment rate falling to 4.5% by year's end, compared to growth of 4.2% and unemployment of 5% projected at its December policy meeting. The pace of price increases is now expected to exceed the Fed's 2% target for the year, hitting 2.4% by year's end before falling back in 2022. "Indicators of economic activity and employment have turned up," the policy-setting Federal Open Market Committee said in a statement that kept the benchmark overnight interest rate in a target range of zero to 0.25%. The improvement in the Fed's economic outlook did not immediately alter policymakers' expectations for interest rates, though the weight of opinion did shift. Seven of 18 officials now expect to raise rates in 2023, compared to five in December. Four officials now feel rates may need to rise as soon as next year, a change from zero as of the last projections in December. The quarterly projections issued on Wednesday were the central bank's first since December, and incorporate developments including the rollout of coronavirus vaccines and the approval of two federal spending bills totaling about \$2.8 trillion.

The German government's council of economic advisers said it expected Europe's largest economy to shrink by roughly 2% in the first quarter of this year due to lockdown measures to contain the COVID-19 pandemic. The council cut its full-year 2021 gross domestic product growth forecast to 3.1% from 3.7% previously. It expects the economy to reach its pre-crisis level at the turn of the year 2021/22 and to grow by 4% next year. "The biggest downside risk remains the development of the coronavirus pandemic. The question how quickly the economy can get to normal mainly hinges on the vaccination progress," the council said in a statement, giving the first official forecast for the impact in the first three months of the year. The European Union's drug regulator is investigating the reports of blood clots, bleeding and low platelet counts and will report its findings on Thursday. AstraZeneca has said a review of safety data had shown no evidence of an increased risk of clots. Council member Veronika Grimm said the AstraZeneca shot was needed to speed up Germany's already slow vaccination campaign.

Britain's economy has endured a torrid start to 2021, hit by a new COVID-19 lockdown and disruption caused by the country's less open trade relationship with the European Union. While better days are ahead, Bank of England officials meeting ahead of Thursday's monetary policy announcement must weigh up the likely strength of the recovery, the lasting damage caused by the pandemic, and how much inflation might result. The latest official data showed Britain's economy contracted in January, although not by as much as feared by some economists. Output remained 9% below its level in February 2020. Tax office estimates of the number of employees on payrolls showed tentative signs of recovery in January. But they remain more than 700,000 below the pre-pandemic norm. BoE Governor Andrew Bailey said on Monday he thought economic output would recover to its late-2019 level by around the end of 2021, helped by Britain's speedy roll-out of COVID-19 vaccines.

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