

# CURRENCY REPORT

KEDIA ADVISORY

Wednesday, March 24, 2021

## Currency Table

Currency	Exp. Date	Open	High	Low	Close	Change	O.Int	% Cng OI	Volume	ATP
USD-INR	Mar 2021	72.43	72.61	72.36	72.54	↑ 0.18	2802288	0.89	2650625	72.47
EUR-INR	Mar 2021	86.44	86.51	86.10	86.26	↓ -0.14	84925	-9.86	156578	86.31
GBP-INR	Mar 2021	100.48	100.48	99.86	99.92	↓ -0.48	98697	-18.67	257175	100.09
JPY-INR	Mar 2021	66.71	66.99	66.58	66.90	↑ 0.33	32332	-11.99	39023	66.80

## Currency Spot (Asian Trading)

Particulars	Open	High	Low	LTP	% Change
EURUSD	1.1847	1.1852	1.1834	1.1845	↓ -0.03
EURGBP	0.8615	0.8628	0.8608	0.8627	↑ 0.16
EURJPY	128.65	128.75	128.40	128.51	↓ -0.13
GBPJPY	149.36	149.42	148.89	148.96	↓ -0.26
GBPUSD	1.3753	1.3758	1.3721	1.3730	↓ -0.16
USDJPY	108.60	108.64	108.42	108.50	↓ -0.10

## Economical Data

TIME	ZONE	DATA
1:45pm	EUR	French Flash Services PMI
1:45pm	EUR	French Flash Manufacturing PMI
2:00pm	EUR	German Flash Manufacturing PMI
2:00pm	EUR	German Flash Services PMI
2:30pm	EUR	Flash Manufacturing PMI
2:30pm	EUR	Flash Services PMI
6:00pm	USD	Core Durable Goods Orders m/m
6:00pm	USD	Durable Goods Orders m/m
7:15pm	USD	Flash Manufacturing PMI
7:15pm	USD	Flash Services PMI
7:30pm	USD	Fed Chair Powell Testifies
8:00pm	USD	Crude Oil Inventories
8:30pm	EUR	Consumer Confidence

## Stock Indices

Index	Last	Change	Commodity	Last	Change
CAC40	5955.1	↓ -0.22	Gold\$	1731.6	↑ 0.22
DAX	14681.4	↑ 0.16	Silver\$	25.2	↑ 0.62
DJIA	32731.2	↑ 0.32	Crude\$	57.5	↓ -6.17
FTSE 100	7586.8	↓ -0.78	Copper \$	8929.0	↑ 0.65
HANG SENG	27777.8	↓ -1.31	Aluminium \$	2217.0	↑ 0.14
KOSPI	2029.5	↓ -0.23	Nickel\$	16085.0	↑ 0.25
NASDAQ	13377.5	↑ 1.23	Lead\$	1958.0	↑ 0.36
NIKKEI 225	21521.5	↓ -0.86	Zinc\$	2811.5	↓ -0.16

## 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	23/03/2021	7,811.31	7,919.55	-108.24

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

Category	Date	Buy Value	Sell Value	Net Value
DII	23/03/2021	4,882.49	5,412.18	-529.69

## Spread

Currency	Spread
NSE-CUR USDINR MAR-APR	0.43
NSE-CUR EURINR MAR-APR	0.60
NSE-CUR GBPINR MAR-APR	0.59
NSE-CUR JPYINR MAR-APR	0.42

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## NSE-CUR USDINR Mar 2021



	Open	High	Low	Close
	72.43	72.61	72.36	72.54
<b>Support and Resistance for the Day</b>	<b>Resit 1</b>	<b>Resit 2</b>	<b>Resit 3</b>	
	72.65	72.75	72.90	
	<b>Support 1</b>	<b>Support 2</b>	<b>Support 3</b>	
	72.40	72.25	72.15	
Net Change	% Change	Open Interest	Volume	
0.13	0.18	2802288	2650625	

## Trading Ideas for the Day

- # USDINR trading range for the day is 72.25-72.75.
- # USDINR gained as investors were cautious amid mounting coronavirus infections and restrictions in Europe and tensions with China
- # India 10 Year Government Bond Yield decreased to a 4-week low of 6.139%
- # Fed Chair Powell reiterated the Fed is committed to using its full range of tools to support the economy and to help assure that the recovery will be as robust as possible

## Market Snapshot

USDINR yesterday settled up by 0.18% at 72.5425 as investors were cautious amid mounting coronavirus infections and restrictions in Europe and tensions with China while Treasury yields continue to retreat. Fed Chair Powell reiterated the Fed is committed to using its full range of tools to support the economy and to help assure that the recovery will be as robust as possible, prepared remarks of his testimony on the CARES Act before Congress showed. Fed Chair added that the recovery has progressed more quickly than generally expected and looks to be strengthening due in part to the unprecedented fiscal and monetary policy actions. Meanwhile, Treasury Secretary Yellen who will also testify for two days of congressional hearings, noted that while there are signs of recovery, the country is still down nearly 10 million jobs from its pre-pandemic peak. In the broader scenario, the combination of ultra-easy monetary policy, unprecedented government spending and a successful vaccine rollout prompted investors to bet on a swifter US economic recovery and higher inflation pressures. This improved economic outlook for the world's largest economy contrasts with sluggish growth for the eurozone in 2021 as governments grapple with rising coronavirus cases and a slow vaccination campaign. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/dollar at 72.2928 Technically market is under fresh buying as market has witnessed gain in open interest by 0.89% to settled at 2802288 while prices up 0.13 rupees, now USDINR is getting support at 72.4 and below same could see a test of 72.25 levels, and resistance is now likely to be seen at 72.65, a move above could see prices testing 72.75.

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## NSE-CUR EURINR Mar 2021



	Open	High	Low	Close
	86.44	86.51	86.10	86.26
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	86.47	86.69	86.87	
	Support 1	Support 2	Support 3	
	86.07	85.89	85.67	
Net Change	% Change	Open Interest	Volume	
-0.13	-0.14	84925	156578	

## Trading Ideas for the Day

- # EURINR trading range for the day is 85.89-86.69.
- # Euro remained under pressure as a surge in COVID-19 cases across Europe outpacing an already-slow vaccine rollout and forcing the imposition of fresh lockdowns.
- # ECB increased pace of net pandemic bond buying last week. Holdings under PEPP rose by EU21.1b in week ended March 19th.
- # Bundesbank says the German economy is likely to contract sharply this quarter due to lockdown measures

## Market Snapshot

EURINR yesterday settled down by -0.14% at 86.2575 as a surge in COVID-19 cases across Europe outpacing an already-slow vaccine rollout and forcing the imposition of fresh lockdowns. Germany is due to extend a lockdown to contain COVID-19 infections into the fifth month, while France and Italy already introduced new restrictions. The European Central Bank increase bond purchases by nearly half last week, ramping up its stimulus efforts to keep a lid on borrowing costs and convince sceptical investors it would do what it took to restrain bond yields. The ECB was finally putting its money where its mouth is after announcing on March 11 that it would step up its Pandemic Emergency Purchase Programme over the coming quarter to ensure credit stayed cheap in the virus-stricken euro zone. The euro zone's central bank bought 28 billion euros worth of bonds last week across its stimulus programmes, a 48% increase over the previous week and the biggest weekly amount since Dec. 4. PEPP accounted for the bulk of the purchases at 21.05 billion euros, a 50% increase on the week. Investors have been doubting the ECB's resolve to tackle a recent increase in bond yields in the euro zone, which largely reflected higher growth and inflation expectations in the United States rather than a brighter outlook for the bloc. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/euro at 86.2169 Technically market is under long liquidation as market has witnessed drop in open interest by -9.86% to settled at 84925 while prices down -0.125 rupees, now EURINR is getting support at 86.07 and below same could see a test of 85.89 levels, and resistance is now likely to be seen at 86.47, a move above could see prices testing 86.69.

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## NSE-CUR GBPINR Mar 2021



	Open	High	Low	Close
	100.48	100.48	99.86	99.92
Support and Resistance for the Day		<b>Resit 1</b>	<b>Resit 2</b>	<b>Resit 3</b>
		100.31	100.70	100.93
		<b>Support 1</b>	<b>Support 2</b>	<b>Support 3</b>
	99.69	99.46	99.07	
Net Change	% Change	Open Interest	Volume	
	-0.48	-0.48	98697	257175

## Trading Ideas for the Day

- # GBPINR trading range for the day is 99.46-100.7.
- # GBP dropped as investors focused on broader currency market drivers and the European Union's threat to impose a ban on vaccine imports to Britain.
- # But the EU's leaders are due to discuss imposing a ban on vaccine exports to Britain at a summit on Thursday.
- # Speculators reduced their net long position on the pound versus the dollar in the week to March 16, CFTC data showed.

## Market Snapshot

GBPINR yesterday settled down by -0.48% at 99.9175 as investors focused on broader currency market drivers and the European Union's threat to impose a ban on vaccine imports to Britain. But the EU's leaders are due to discuss imposing a ban on vaccine exports to Britain at a summit on Thursday. Britain, which exited the EU's orbit on Dec. 31, has repeatedly cautioned the EU that breaking contract law could have grave consequences, but it has not yet specified what those consequences would be. Speculators reduced their net long position on the pound versus the dollar in the week to March 16, CFTC data showed. Although the market is still overall bullish on sterling, the size of the bullish position has shrunk for the past two weeks. The Bank of England kept its interest rates and 895 billion pound bond-buying programme unchanged, as expected. British consumer morale struck a one-year high this month as the public became increasingly confident that an economic recovery from the COVID-19 pandemic is approaching and that they would benefit directly, a survey showed. The monthly consumer confidence index from market research firm GfK rose to -16 from -23 in February. While still some way below its long-run average of -9, the survey showed rising optimism in all of its components. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/British pound was fixed at 100.0099 Technically market is under long liquidation as market has witnessed drop in open interest by -18.67% to settled at 98697 while prices down -0.4825 rupees, now GBPINR is getting support at 99.69 and below same could see a test of 99.46 levels, and resistance is now likely to be seen at 100.31, a move above could see prices testing 100.7.



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## NSE-CUR JPYINR Mar 2021



	Open	High	Low	Close
	66.71	66.99	66.58	66.90
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	67.06	67.23	67.47	
	Support 1	Support 2	Support 3	
	66.65	66.41	66.24	
Net Change	% Change	Open Interest	Volume	
0.22	0.33	32332	39023	

## Trading Ideas for the Day

- # JPYINR trading range for the day is 66.41-67.23.
- # JPY gained in range amid optimism about the reopening of the economy as vaccination drives gather pace.
- # BOJ Gov Kuroda says no plan to stop buying ETFs or sell them
- # Finance Minister Taro Aso welcomed the BOJ's assessment, saying the review of its policy tools including ETF purchases was appropriate.

## Market Snapshot

JPYINR yesterday settled up by 0.33% at 66.8975 amid optimism about the reopening of the economy as vaccination drives gather pace along with falling bond yields kept sentiment elevated. Bank of Japan Governor Haruhiko Kuroda said that the central bank would not stop buying exchange-traded funds (ETFs) or sell them as it tries to make its easing tools more flexible and sustainable under its yield curb control policy. Speaking before the upper house financial committee, Kuroda said its review of ETF purchases would allow the BOJ to continue using easing policy "more flexibly and effectively." The central bank removed an explicit guidance to buy ETFs at an annual pace of roughly 6 trillion yen (\$55.13 billion) in a review of its policy tools unveiled. Instead of buying at a set pace, the BOJ said it would step in only when markets destabilise, with a spending ceiling of 12-trillion-yen that was set last year when the initial COVID-19 outbreak jolted stock prices. Kuroda also pledged to stick to the 2% inflation target, which he described as a global standard, as it helps stabilise currencies among major economies. Finance Minister Taro Aso welcomed the BOJ's assessment, saying the review of its policy tools including ETF purchases was appropriate. 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 -11.99% to settled at 32332 while prices up 0.2225 rupees, now JPYINR is getting support at 66.65 and below same could see a test of 66.41 levels, and resistance is now likely to be seen at 67.06, a move above could see prices testing 67.23.

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## NEWS YOU CAN USE

# The European Central Bank increase bond purchases by nearly half last week, ramping up its stimulus efforts to keep a lid on borrowing costs and convince sceptical investors it would do what it took to restrain bond yields. The ECB was finally putting its money where its mouth is after announcing on March 11 that it would step up its Pandemic Emergency Purchase Programme over the coming quarter to ensure credit stayed cheap in the virus-stricken euro zone. The euro zone's central bank bought 28 billion euros worth of bonds last week across its stimulus programmes, a 48% increase over the previous week and the biggest weekly amount since Dec. 4. PEPP accounted for the bulk of the purchases at 21.05 billion euros, a 50% increase on the week. Investors have been doubting the ECB's resolve to tackle a recent increase in bond yields in the euro zone, which largely reflected higher growth and inflation expectations in the United States rather than a brighter outlook for the bloc.

# Bank of Japan Governor Haruhiko Kuroda said that the central bank would not stop buying exchange-traded funds (ETFs) or sell them as it tries to make its easing tools more flexible and sustainable under its yield curb control policy. Speaking before the upper house financial committee, Kuroda said its review of ETF purchases would allow the BOJ to continue using easing policy "more flexibly and effectively." The central bank removed an explicit guidance to buy ETFs at an annual pace of roughly 6 trillion yen (\$55.13 billion) in a review of its policy tools unveiled. Instead of buying at a set pace, the BOJ said it would step in only when markets destabilise, with a spending ceiling of 12-trillion-yen that was set last year when the initial COVID-19 outbreak jolted stock prices. Kuroda also pledged to stick to the 2% inflation target, which he described as a global standard, as it helps stabilise currencies among major economies. Finance Minister Taro Aso welcomed the BOJ's assessment, saying the review of its policy tools including ETF purchases was appropriate.

# British consumer morale struck a one-year high this month as the public became increasingly confident that an economic recovery from the COVID-19 pandemic is approaching and that they would benefit directly, a survey showed. The monthly consumer confidence index from market research firm GfK rose to -16 from -23 in February. While still some way below its long-run average of -9, the survey showed rising optimism in all of its components. The readings came a day after the Bank of England said Britain's economic recovery was gathering pace thanks to the speed of COVID-19 vaccinations. But its policymakers are split over the prospects for longer-term improvement, dampening speculation about a reversal of stimulus. GfK said household expectations for the economic outlook and personal finances improved rapidly this month, with the latter hitting a three-year high. Britain suffered its worst economic slump in three centuries last year when it shrank by 10%. It has also been hit with Europe's biggest COVID-19 death toll of over 125,000 people.

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