

# CURRENCY REPORT

KEDIA ADVISORY

Thursday, May 20, 2021

## Currency Table

Currency	Exp. Date	Open	High	Low	Close	Change	O.Int	% Cng OI	Volume	ATP
USD-INR	May 2021	73.18	73.29	73.03	73.26	↑ 0.12	2547186	-2.73	1557424	73.18
EUR-INR	May 2021	89.44	89.59	89.34	89.41	↑ 0.08	100329	-0.66	140805	89.47
GBP-INR	May 2021	103.92	103.93	103.63	103.70	↓ -0.13	114266	-2.10	225633	103.78
JPY-INR	May 2021	67.16	67.23	67.04	67.07	↓ -0.11	21925	7.22	22515	67.12

## Currency Spot (Asian Trading)

Particulars	Open	High	Low	LTP	% Change
EURUSD	1.2173	1.2185	1.2167	1.2176	↑ 0.03
EURGBP	0.8624	0.8633	0.8619	0.8632	↑ 0.10
EURJPY	132.92	133.09	132.82	132.93	↑ 0.03
GBPJPY	154.10	154.25	153.91	153.98	↓ -0.06
GBPUSD	1.4114	1.4121	1.4098	1.4104	↓ -0.06
USDJPY	109.17	109.31	109.06	109.17	→ 0.00

## Economical Data

TIME	ZONE	DATA
11:30am	EUR	German PPI m/m
1:30pm	EUR	Current Account
Tentative	EUR	Spanish 10-y Bond Auction
5:30pm	EUR	ECB President Lagarde Speaks
6:00pm	USD	Philly Fed Manufacturing Index
6:00pm	USD	Unemployment Claims
7:30pm	USD	CB Leading Index m/m
8:00pm	USD	Natural Gas Storage

## Stock Indices

Index	Last	Change	Commodity	Last	Change
CAC40	6282.0	↓	Gold\$	1872.1	↑ 0.14
DAX	15178.6	↓	Silver\$	27.6	↓ -0.38
DJIA	34060.7	↓	Crude\$	62.6	↓ -3.28
FTSE 100	7586.8	↓	Copper \$	10000.0	↓ -0.73
HANG SENG	27777.8	↓	Aluminium \$	2418.0	↓ -0.47
KOSPI	2029.5	↓	Nickel\$	17250.0	↓ -0.52
NASDAQ	13303.6	↓	Lead\$	2185.0	↓ -0.75
NIKKEI 225	21521.5	↓	Zinc\$	2946.5	↓ -0.52

## 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	19/05/2021	7,138.11	7,835.86	-697.75

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

Category	Date	Buy Value	Sell Value	Net Value
DII	19/05/2021	4,722.98	5,575.50	-852.52

## Spread

Currency	Spread
NSE-CUR USDINR MAY-JUN	0.39
NSE-CUR EURINR MAY-JUN	0.44
NSE-CUR GBPINR MAY-JUN	0.49
NSE-CUR JPYINR MAY-JUN	0.36

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## NSE-CUR USDINR May 2021



	Open	High	Low	Close
	73.18	73.29	73.03	73.26
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	73.36	73.45	73.62	
	Support 1	Support 2	Support 3	
	73.10	72.93	72.84	
Net Change	% Change	Open Interest	Volume	
0.09	0.12	2547186	1557424	

## Trading Ideas for the Day

- # USDINR trading range for the day is 72.93-73.45.
- # USDINR recovered from lows with investors waiting for Fed policy meeting minutes to gauge its stance on interest rates in the wake of rising inflation concerns.
- # Earlier in the day, prices decreased to a 7-week low amid signs that India's second wave of coronavirus infections is slowing, hopes of a global economic recovery.
- # The Reserve Bank of India said in its May bulletin that the ferocity of the second wave has overwhelmed India

## Market Snapshot

USDINR yesterday settled up by 0.12% at 73.2625 with investors waiting for the latest round of Federal Reserve policy meeting minutes to gauge its stance on interest rates in the wake of rising inflation concerns. Earlier in the day, prices decreased to a 7-week low amid signs that India's second wave of coronavirus infections is slowing, hopes of a global economic recovery. The Reserve Bank of India said in its May bulletin that the ferocity of the second wave has overwhelmed India, adding that real economic indicators have moderated through April-May 2021. According to the central bank, the biggest toll of the second wave is in terms of a demand shock. Loss of mobility, lower discretionary spending, lack of employment and inventory accumulation are some of the factors that indicate weaker demand during the second wave in India. While RBI said that the resurgence of Covid-19 has dented economic activity in the first half of Q1:2021-22, it has not yet "debilitated" it. "Although extremely tentative at this stage, the central tendency of available diagnosis is that the loss of momentum is not as severe as at this time a year ago," RBI said in its state of the economy bulletin. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/dollar at 73.0353 Technically market is under short covering as market has witnessed drop in open interest by -2.73% to settled at 2547186 while prices up 0.0875 rupees, now USDINR is getting support at 73.1 and below same could see a test of 72.93 levels, and resistance is now likely to be seen at 73.36, a move above could see prices testing 73.45.

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## NSE-CUR EURINR May 2021



	Open	High	Low	Close
	89.44	89.59	89.34	89.41
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	89.55	89.69	89.80	
	Support 1	Support 2	Support 3	
	89.30	89.19	89.05	
Net Change	% Change	Open Interest	Volume	
0.07	0.08	100329	140805	

## Trading Ideas for the Day

- # EURINR trading range for the day is 89.19-89.69.
- # Euro steadied as countries in Europe continued their reopening efforts, with France and Austria allowing non-essential business to reopen starting from May 19th
- # The euro zone economy declined by 0.6% in the first quarter of 2021
- # Euro zone recession confirmed at start of 2021

## Market Snapshot

EURINR yesterday settled up by 0.08% at 89.41 as countries in Europe continued their reopening efforts, with France and Austria allowing non-essential business to reopen starting from May 19th, although certain limitations would be still in place. Elsewhere, Cyprus, Greece, Germany, Italy, the Netherlands, Portugal and the UK started to open their borders and other countries are likely to follow suit in June. Last week, the European Commission revised upwards its GDP forecasts for 2021 and 2022, saying that all Member States should see their economies return to pre-crisis levels by the end of 2022. The euro zone economy declined by 0.6% in the first quarter of 2021, data showed to confirm a technical recession, as gross domestic product contracted in all larger countries except France. The European Union's statistics office Eurostat said GDP in the 19 countries sharing the euro fell 0.6% quarter-on-quarter in the Jan-March period, for a 1.8% year-on-year fall. The figures were in line with the initial flash estimate on April 30. Together with the GDP decline in the fourth quarter of 2020, of 0.7% in the quarter and 4.9% from a year earlier, the euro zone was in its second technical recession since the COVID-19 pandemic began. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/euro at 88.977 Technically market is under short covering as market has witnessed drop in open interest by -0.66% to settled at 100329 while prices up 0.07 rupees, now EURINR is getting support at 89.3 and below same could see a test of 89.19 levels, and resistance is now likely to be seen at 89.55, a move above could see prices testing 89.69.

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## NSE-CUR GBPINR May 2021



	Open	High	Low	Close
	103.92	103.93	103.63	103.70
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		103.87	104.04	104.16
		Support 1	Support 2	Support 3
	103.58	103.46	103.29	
Net Change	% Change	Open Interest	Volume	
	-0.13	-0.13	114266	225633

## Trading Ideas for the Day

- # GBPINR trading range for the day is 103.46-104.04.
- # GBP remained in range after data showed a doubling of consumer price inflation in Britain in April.
- # The Bank of England expects UK inflation to climb above the 2% level this year, before falling to its target by the middle of 2023.
- # Speculators are net long on the pound, having increased their net long position, CFTC data showed.

## Market Snapshot

GBPINR yesterday settled down by -0.13% at 103.6975 after data showed a doubling of consumer price inflation in Britain in April. British consumer price inflation more than doubled in April to stand at 1.5%, up from 0.7% in March, official figures showed. A jump in regulated electricity and gas bills and higher clothing prices helped to push inflation up. Core inflation, which excludes energy prices and other volatile items, rose by 1.3% in the 12 months to April, the Office for National Statistics said. The Bank of England says inflation in Britain is heading above its 2% target and will hit 2.5% at the end of 2021 thanks to a rise in global oil prices and the expiry in September of COVID emergency cuts to value-added tax in the hospitality sector, as well as comparisons with the COVID slump of 2020. The BoE thinks inflation will then slip back to 2% in 2022 and 2023. The Bank of England says inflation in Britain is heading above its 2% target and will hit 2.5% at the end of 2021 thanks to a rise in global oil prices and the expiry in September of COVID-19 emergency cuts to value-added tax in the hospitality sector, as well as comparisons with the pandemic slump of 2020. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/British pound was fixed at 103.5728 Technically market is under long liquidation as market has witnessed drop in open interest by -2.1% to settled at 114266 while prices down -0.13 rupees, now GBPINR is getting support at 103.58 and below same could see a test of 103.46 levels, and resistance is now likely to be seen at 103.87, a move above could see prices testing 104.04.

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## NSE-CUR JPYINR May 2021



	Open	High	Low	Close
	67.16	67.23	67.04	67.07
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	67.18	67.30	67.37	
	Support 1	Support 2	Support 3	
	66.99	66.92	66.80	
Net Change	% Change	Open Interest	Volume	
-0.08	-0.11	21925	22515	

## Trading Ideas for the Day

- # JPYINR trading range for the day is 66.92-67.3.
- # JPY remained in range as concerns over the country's pandemic-induced economic slump weighed on investor sentiment.
- # Japan's gross domestic product contracted an annualized 5.1 percent in the first quarter of 2021, the Cabinet Office said in preliminary report.
- # Japan's tertiary activity rose for the first time in four months in March, data from the Ministry of Economy, Trade and Industry showed.

## Market Snapshot

JPYINR yesterday settled down by -0.11% at 67.065 as concerns over the country's pandemic-induced economic slump weighed on investor sentiment. Japan's gross domestic product contracted an annualized 5.1 percent in the first quarter of 2021, the Cabinet Office said in preliminary report. That missed expectations for a decline of 4.6 percent following the downwardly revised 11.6 percent increase in the previous three months (originally 11.7 percent). On a quarterly basis, GDP sank 1.3 percent - again missing expectations for a drop of 1.2 percent following the 2.8 percent increase in the three months prior. Capital expenditure was down 1.4 percent on quarter, shy of expectations for a gain of 1.1 percent following the 4.3 percent jump in the previous quarter. Japan's tertiary activity rose for the first time in four months in March, data from the Ministry of Economy, Trade and Industry showed. The tertiary activity index rose 1.1 percent month-on-month in March, after a 0.3 percent decrease in February. Among the individual components, wholesale trade, living and amusement-related services, transport and postal activities, business-related services, retail trade, real estate, medical, health care and welfare, goods rental and leasing, and information and communication increased in March. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/100 Japanese yen at 66.95 Technically market is under fresh selling as market has witnessed gain in open interest by 7.22% to settled at 21925 while prices down -0.075 rupees, now JPYINR is getting support at 66.99 and below same could see a test of 66.92 levels, and resistance is now likely to be seen at 67.18, a move above could see prices testing 67.3.



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## NEWS YOU CAN USE

Partly reflecting a spike in prices for used cars and trucks, the Labor Department released a report showing U.S. consumer prices increased by much more than expected in the month of April. The Labor Department said its consumer price index climbed by 0.8 percent in April after rising by 0.6 percent in March. First-time claims for U.S. unemployment benefits fell by # more than expected in the week ended May 8th, according to a report released by the Labor Department. The report said initial jobless claims dipped to 473,000, a decrease of 34,000 from the previous week's revised level of 507,000. With the bigger than expected decrease, jobless claims once again fell to their lowest level since hitting 256,000 in the week ended March 14, 2020.

The euro zone will rebound from its COVID-19 slump more than expected, the European Commission said, but some countries won't reach pre-crisis levels before the end of 2022 -- an argument for continued suspension of EU borrowing limits. The aggregate growth of the 19 countries sharing the euro currency should be 4.3% this year and 4.4% in 2022, the European Union's executive arm said, revising upwards its forecast from February of 3.8% growth in both years. "The EU and euro area economies are expected to rebound strongly as vaccination rates increase and restrictions are eased. This growth will be driven by private consumption, investment, and a rising demand for EU exports from a strengthening global economy," it said. The forecast brings the Commission closer to the International Monetary Fund, which last month said it expected 4.4% growth in the euro zone this year. "Growth rates will continue to vary across the EU, but all Member States should see their economies return to pre-crisis levels by the end of 2022," the Commission said.

The UK economy contracted in the first quarter as school closures and a large fall in retail sales earlier in the quarter dragged down growth, the Office for National Statistics reported. Gross domestic product shrank 1.5 percent sequentially, reversing a 1.3 percent rise in the fourth quarter. The economy contracted again in the first quarter after rising for two straight # quarters. On a yearly basis, GDP dropped 6.1 percent, as expected in the first quarter. The level of GDP was 8.7 percent below where it was before the pandemic at the fourth quarter of 2019, ONS said. That would take the economy back to its February level before the end of the year, the economist added. Services and production output contracted 2 percent and 0.4 percent, respectively in the first quarter, while construction expanded 2.6 percent.

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