

CURRENCY REPORT

KEDIA ADVISORY

Monday, May 24, 2021

Currency Table

Currency	Exp. Date	Open	High	Low	Close	Change	O.Int	% Cng OI	Volume	ATP
USD-INR	May 2021	73.10	73.16	72.84	72.87	↓ -0.42	2289544	-4.87	2181207	73.02
EUR-INR	May 2021	89.34	89.49	89.05	89.07	↓ -0.24	100115	3.29	141461	89.29
GBP-INR	May 2021	103.55	103.77	103.50	103.57	↑ 0.15	102799	-8.37	242194	103.66
JPY-INR	May 2021	67.18	67.32	67.04	67.06	↓ -0.18	20470	-2.90	26423	67.17

Currency Spot (Asian Trading)

Particulars	Open	High	Low	LTP	% Change
EURUSD	1.2181	1.2187	1.2171	1.2181	→ 0.00
EURGBP	0.8604	0.8616	0.8597	0.8615	↑ 0.08
EURJPY	132.72	132.77	132.53	132.68	↓ -0.04
GBPJPY	154.15	154.24	153.97	154.00	↓ -0.12
GBPUSD	1.4146	1.4162	1.4133	1.4139	↓ -0.05
USDJPY	108.96	109.00	108.85	108.92	↓ -0.04

Economical Data

TIME	ZONE	DATA
All Day	EUR	French Bank Holiday
All Day	EUR	German Bank Holiday
6:30pm	USD	FOMC Member Brainard Speaks
9:30pm	USD	FOMC Member Bostic Speaks

Stock Indices

Index	Last	Change	Commodity	Last	Change
CAC40	6378.0	↑	Gold\$	1885.2	↑ 0.20
DAX	15404.0	↑	Silver\$	27.7	↑ 0.55
DJIA	34084.2	↑	Crude\$	63.9	↑ 2.65
FTSE 100	7586.8	↓	Copper \$	9855.0	↓ -0.46
HANG SENG	27777.8	↓	Aluminium \$	2319.5	↓ -2.52
KOSPI	2029.5	↓	Nickel\$	16830.0	↑ 0.60
NASDAQ	13535.7	↑	Lead\$	2173.0	↓ -1.05
NIKKEI 225	21521.5	↓	Zinc\$	2937.0	↓ -0.96

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

Category	Date	Buy Value	Sell Value	Net Value
FII/FPI	21/05/2021	7,950.66	7,440.50	510.16

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

Category	Date	Buy Value	Sell Value	Net Value
DII	21/05/2021	6,089.36	5,440.26	649.10

Spread

Currency	Spread
NSE-CUR USDINR MAY-JUN	0.37
NSE-CUR EURINR MAY-JUN	0.45
NSE-CUR GBPINR MAY-JUN	0.47
NSE-CUR JPYINR MAY-JUN	0.35

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NSE-CUR USDINR May 2021



	Open	High	Low	Close
	73.10	73.16	72.84	72.87
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	73.07	73.27	73.39	
	Support 1	Support 2	Support 3	
	72.75	72.63	72.43	
Net Change	% Change	Open Interest	Volume	
-0.31	-0.42	2289544	2181207	

Trading Ideas for the Day

- # USDINR trading range for the day is 72.63-73.27.
- # USDINR dropped as traders' concerns about taper talk in Federal Reserve minutes faded
- # RBI will transfer a surplus of Rs 99,122 crore to the government for the nine-month accounting period ended March 31
- # Wholesale prices in India jumped 10.49 percent year-on-year in April of 2021, the highest rate since May of 2010

Market Snapshot

USDINR yesterday settled down by -0.42% at 72.8675 as traders' concerns about taper talk in Federal Reserve minutes faded, though a pullback in commodity prices and nervousness about virus outbreaks kept losses in check. The Reserve Bank of India (RBI) will transfer a surplus of Rs 99,122 crore to the government for the nine-month accounting period ended March 31, the central bank has said. The bank also decided to maintain the contingency risk buffer at 5.5 percent. The RBI is required to maintain a contingency risk buffer of 5.5-6.5 percent of its balance sheet. The board reviewed the current economic situation, global and domestic challenges and recent policy measures taken by the Reserve Bank to mitigate the impact of the second coronavirus wave on the economy. Wholesale prices in India jumped 10.49 percent year-on-year in April of 2021, the highest rate since May of 2010 and well above market forecasts of 9.05 percent. It compares with a 1.57 percent fall in April last year when the coronavirus pandemic weighed on demand and prices. India's trade deficit in goods widened to USD 15.1 billion in April 2021, from USD 6.76 billion in the same period last year, as both domestic and foreign demand rebounded from last year's record declines. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/dollar at 73.0233 Technically market is under long liquidation as market has witnessed drop in open interest by -4.87% to settled at 2289544 while prices down -0.31 rupees, now USDINR is getting support at 72.75 and below same could see a test of 72.63 levels, and resistance is now likely to be seen at 73.07, a move above could see prices testing 73.27.

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NSE-CUR EURINR May 2021



	Open	High	Low	Close
	89.34	89.49	89.05	89.07
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	89.36	89.65	89.81	
	Support 1	Support 2	Support 3	
	88.91	88.75	88.46	
Net Change	% Change	Open Interest	Volume	
-0.22	-0.24	100115	141461	

Trading Ideas for the Day

- # EURINR trading range for the day is 88.75-89.65.
- # Euro dropped as firmness in rupee weighed after prices seen supported helped by the prospect of a solid economic recovery in 2021.
- # ECB's Lane says have a lot of work to do to raise inflation
- # Still, ECB officials continued to signal the surge in inflation is temporary and consumer prices should fall sharply next year.

Market Snapshot

EURINR yesterday settled down by -0.24% at 89.0675 as firmness in rupee weighed after prices seen supported helped by the prospect of a solid economic recovery in 2021. The flash PMI survey showed the Eurozone private sector activity grew at a sharply faster rate in May, easily beating market expectations, as economies continued their re-opening efforts. However, the report also showed input cost rose the most in a decade and prices charged increased at a record pace, adding to signs of growing inflationary pressure. The European Central Bank has a "lot of work to do" to raise inflation back to its 2% goal and market talk of rapidly rising prices is misplaced, the Philip Lane, the bank's chief economist, said. 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. Still, ECB officials continued to signal the surge in inflation is temporary and consumer prices should fall sharply next year. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/euro at 89.3075 Technically market is under fresh selling as market has witnessed gain in open interest by 3.29% to settled at 100115 while prices down -0.215 rupees, now EURINR is getting support at 88.91 and below same could see a test of 88.75 levels, and resistance is now likely to be seen at 89.36, a move above could see prices testing 89.65.

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NSE-CUR GBPINR May 2021



	Open	High	Low	Close
	103.55	103.77	103.50	103.57
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	103.73	103.88	104.00	
	Support 1	Support 2	Support 3	
	103.46	103.34	103.19	
Net Change	% Change	Open Interest	Volume	
0.15	0.15	102799	242194	

Trading Ideas for the Day

- # GBPINR trading range for the day is 103.34-103.88.
- # GBP remained supported after better-than-expected retail sales data kept investors upbeat about the prospects for the economic recovery.
- # British retail sales surged in April, with sales volumes jumping by 9.2% month-on-month
- # The flash PMI survey suggested the UK private sector economy expanded in May by the most on record

Market Snapshot

GBPINR yesterday settled up by 0.15% at 103.57 after better-than-expected retail sales data kept investors upbeat about the prospects for the United Kingdom's economic recovery. British retail sales surged in April, with sales volumes jumping by 9.2% month-on-month – twice the average forecasted. The flash PMI survey suggested the UK private sector economy expanded in May by the most on record, amid looser pandemic restrictions and high levels of pent up demand. In addition, the country's retail sales surged by 9.2% in April, faster than expected, following the reopening of non-essential stores; while consumer morale improved in May to the highest level since March 2020. Also, the UK inflation jumped in April to a 13-month high, with the Bank of England predicting the rate will climb above the 2% level this year due to an increase in regulated household energy bills, higher global oil prices and comparisons with prices a year ago when the country was under a strict COVID lockdown. The first-quarter jobs report signaled the UK labor market recovery gathered pace. UK manufacturing orders logged its strongest upturn since late 2017, survey results from the Confederation of British Industry showed. According to the latest Industrial Trends survey results, the total order book balance rose to +17 percent in May from -8 percent in April. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/British pound was fixed at 103.6103 Technically market is under short covering as market has witnessed drop in open interest by -8.37% to settled at 102799 while prices up 0.1525 rupees, now GBPINR is getting support at 103.46 and below same could see a test of 103.34 levels, and resistance is now likely to be seen at 103.73, a move above could see prices testing 103.88.

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NSE-CUR JPYINR May 2021



	Open	High	Low	Close
	67.18	67.32	67.04	67.06
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		67.24	67.42	67.52
		Support 1	Support 2	Support 3
	66.96	66.86	66.68	
Net Change	% Change	Open Interest	Volume	
	-0.12	-0.18	20470	26423

Trading Ideas for the Day

- # JPYINR trading range for the day is 66.86-67.42.
- # JPY remained in range as Japan's factory activity expanded at a slower pace in May as growth in output and new orders eased
- # Activity in the service sector contracted at the fastest pace in nine months, pulling the private sector as a whole into contraction
- # Japan's core consumer prices slipped 0.1% in April from a year earlier to mark the ninth straight month of declines

Market Snapshot

JPYINR yesterday settled down by -0.18% at 67.0625 as Japan's factory activity expanded at a slower pace in May as growth in output and new orders eased, in a sign emergency curbs to stem a rise in coronavirus infections were hampering the country's economic recovery. Activity in the service sector contracted at the fastest pace in nine months, pulling the private sector as a whole into contraction after the previous month's expansion. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) weakened to a seasonally adjusted 52.5 in May from a final 53.6 in April. The PMI survey showed overall output posted the weakest monthly expansion since February, in a sign a state of emergency curbs in Tokyo and other major areas were taking a toll on manufacturers. Japan's core consumer prices slipped 0.1% in April from a year earlier to mark the ninth straight month of declines, data showed, a sign weak demand was discouraging firms from passing on rising costs to households. The data underscores the challenge policymakers face in combating a resurgence in COVID-19 infections without hobbling an economy already lagging other major trading partners emerging from the pandemic-induced slump. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the rupee/100 Japanese yen at 67.14 Technically market is under long liquidation as market has witnessed drop in open interest by -2.9% to settled at 20470 while prices down -0.12 rupees, now JPYINR is getting support at 66.96 and below same could see a test of 66.86 levels, and resistance is now likely to be seen at 67.24, a move above could see prices testing 67.42.

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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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