



# CURRENCY REPORT

- Daily



# CURRENCY REPORT

KEDIA ADVISORY

Tuesday, August 30, 2022

## Currency Table

Currency	Exp. Date	Open	High	Low	Close	Change	O.Int	% Cng OI	Volume	ATP
USD-INR	Sep 2022	80.25	80.35	80.10	80.14	↑ 0.07	3557273	16.46	3623873	80.23
EUR-INR	Sep 2022	80.05	80.25	79.74	80.16	↓ -0.23	134927	0.18	347954	79.96
GBP-INR	Sep 2022	94.09	94.09	93.57	93.80	↓ -1.11	178463	21.22	367183	93.76
JPY-INR	Sep 2022	58.20	58.29	57.90	58.02	↓ -1.13	66696	20.89	88063	58.06

## Currency Spot (Asian Trading)

Particulars	Open	High	Low	LTP	% Change
EURUSD	0.9998	1.0014	0.9979	0.9983	↓ -0.14
EURGBP	0.8539	0.8545	0.8532	0.8539	→ 0.00
EURJPY	138.67	138.83	138.31	138.33	↓ -0.26
GBPJPY	162.37	162.56	161.96	162.00	↓ -0.22
GBPUSD	1.1705	1.1727	1.1685	1.1691	↓ -0.12
USDJPY	138.71	138.78	138.33	138.57	↓ -0.10

## Economical Data

TIME	ZONE	DATA
12:30pm	EUR	Spanish Flash CPI y/y
All Day	EUR	German Prelim CPI m/m
2:00pm	GBP	M4 Money Supply m/m
2:00pm	GBP	Mortgage Approvals
2:00pm	GBP	Net Lending to Individuals m/m
Tentative	EUR	Italian 10-y Bond Auction
6:30pm	USD	HPI m/m
6:30pm	USD	S&P/CS Composite-20 HPI y/y
7:30pm	USD	CB Consumer Confidence
7:30pm	USD	JOLTS Job Openings
8:30pm	USD	FOMC Member Williams Speaks

## Stock Indices

Index	Last	Change	Commodity	Last	Change
CAC40	6216.9	↓ -0.91	Gold\$	1734.6	↓ -0.16
DAX	12891.9	↓ -0.61	Silver\$	18.7	↓ -0.39
DJIA	32099.0	↓ -0.57	Crude\$	94.6	↑ 4.24
FTSE 100	3435.7	↑ 0.58	Copper \$	7939.0	↓ -2.34
HANG SENG	20019.0	↓ -0.75	Aluminium \$	2427.5	↓ -2.51
KOSPI	2029.5	↓ -0.23	Nickel\$	21710.0	→ 0.00
NASDAQ	12017.7	↓ -1.02	Lead\$	1975.5	↓ -1.23
NIKKEI 225	27899.0	↓ -2.59	Zinc\$	3496.0	↓ -1.74

## 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	29/08/2022	5,253.27	5,814.49	-561.22

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

Category	Date	Buy Value	Sell Value	Net Value
DII	29/08/2022	6,370.85	6,226.77	144.08

## Spread

Currency	Spread
NSE-CUR USDINR Sep-Oct	0.22
NSE-CUR EURINR Sep-Oct	0.39
NSE-CUR GBPINR Sep-Oct	0.35
NSE-CUR JPYINR Sep-Oct	0.29

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## NSE-CUR USDINR Sep 2022



	Open	High	Low	Close
	80.25	80.35	80.10	80.14
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	80.29	80.44	80.54	
	Support 1	Support 2	Support 3	
	80.04	79.94	79.79	
Net Change	% Change	Open Interest	Volume	
0.05	0.07	3557273	3623873	

## Trading Ideas for the Day

- # USDINR trading range for the day is 79.94-80.44.
- # Rupee hits record low on bets the Federal Reserve will keep a restrictive stance for longer, prompting the Reserve Bank of India to step in.
- # The dollar index climbed to its highest level in 20 years, boosted by higher short-term U.S. yields and risk aversion.
- # Current account gap will be within manageable levels, Das said, adding that exports are likely to pick up in the coming months

## Market Snapshot

USDINR yesterday settled up by 0.07% at 80.1375 on bets the Federal Reserve will keep a restrictive stance for longer, prompting the Reserve Bank of India to step in. The dollar index climbed to its highest level in 20 years, boosted by higher short-term U.S. yields and risk aversion. Fed Chair Jerome Powell said restoring price stability will likely require maintaining a restrictive policy stance "for some time", seemingly pushing back against expectations that the U.S. central bank could cut rates later next year. Further, Powell noted that reducing inflation would likely require a sustained period of below-trend growth, hurting demand for risk assets. He repeated that the size of rate hikes remains data dependent, but his comments were seen hawkish enough to price in a higher chance of a 75-basis points rate hike next month. Reserve Bank of India Governor Shaktikanta Das seeks to slow India's inflation to 4% within two years after hitting its peak in the last few months. "Inflation has peaked and price gains are getting anchored," Das said, adding that the central bank is watching every incoming data and there's "no room for complacency." The RBI has raised policy repurchase rate by a total of 140 basis points since May, including back-to-back half point increases in June and August, to cool down inflation within its mandate of 2%-6%. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the USD at 80.0906 Technically market is under fresh buying as market has witnessed gain in open interest by 16.46% to settled at 3557273 while prices up 0.0525 rupees, now USDINR is getting support at 80.04 and below same could see a test of 79.94 levels, and resistance is now likely to be seen at 80.29, a move above could see prices testing 80.44.

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## NSE-CUR EURINR Sep 2022



	Open	High	Low	Close
	80.05	80.25	79.74	80.16
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	80.36	80.56	80.87	
	Support 1	Support 2	Support 3	
	79.85	79.54	79.34	
Net Change	% Change	Open Interest	Volume	
-0.19	-0.23	134927	347954	

## Trading Ideas for the Day

- # EURINR trading range for the day is 79.54-80.56.
- # Euro dropped amid concerns over rising borrowing costs as central banks around the world signal interest rates will continue to rise to tame inflationary pressures.
- # ECB board member Isabel Schnabel said central banks must now act forcefully to combat inflation.
- # Fed Chair Powell reiterated the need for restrictive monetary policy for some time to bring inflation down.

## Market Snapshot

EURINR yesterday settled down by -0.23% at 80.16 amid concerns over rising borrowing costs as central banks around the world signal interest rates will continue to rise to tame inflationary pressures. Fed Chair Powell reiterated the need for restrictive monetary policy for some time to bring inflation down. During the weekend, ECB board member Isabel Schnabel said central banks must now act forcefully to combat inflation. Lending to euro zone companies continued to surge in July, beating expectations for a slowdown due to rising recession fears and plans by lenders to tighten access to fresh credit, European Central Bank data showed. Lending to businesses in the 19-country euro area expanded by 7.7% in July after 6.9% a month earlier, while credit growth to households slipped to 4.5% from 4.6%, fresh data showed. Banks that tightened access to credit already in the second quarter said they were likely to be even more cautious in the current quarter, as high fuel prices and war in Ukraine deplete savings and sap confidence. The GfK Consumer Climate Indicator in Germany fell to a new record low of -36.5 heading into September of 2022 from a revised -30.9 in the prior month and worse than market forecasts of -31.8. The latest reading highlighted persistent recession fears and mounting concerns over higher energy costs. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the Euro at 79.6085 Technically market is under fresh selling as market has witnessed gain in open interest by 0.18% to settled at 134927 while prices down -0.185 rupees, now EURINR is getting support at 79.85 and below same could see a test of 79.54 levels, and resistance is now likely to be seen at 80.36, a move above could see prices testing 80.56.

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## NSE-CUR GBPINR Sep 2022



	Open	High	Low	Close
	94.09	94.09	93.57	93.80
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	94.07	94.35	94.60	
	Support 1	Support 2	Support 3	
	93.54	93.29	93.01	
Net Change	% Change	Open Interest	Volume	
-1.05	-1.11	178463	367183	

## Trading Ideas for the Day

- # GBPINR trading range for the day is 93.29-94.35.
- # GBP dropped as dollar surged after Fed Chair Powell said interest rates will remain high in the US for an extended time to control inflation.
- # Goldman Sachs believes the UK economy will experience a recession in Q4
- # The Confederation of British Industry's order book balance fell to -7 in the three months to August of 2022 from 8 in July

## Market Snapshot

GBPINR yesterday settled down by -1.11% at 93.795 as dollar surged after Fed Chair Jerome Powell said interest rates will remain high in the US for an extended time to control inflation. Federal Reserve Chair Jerome Powell delivered a stern commitment to bring down inflation by keeping interest rates higher for longer in a policy speech at the Jackson Hole conference late last week. Powell warned strongly against prematurely loosening policy amid data showing possible signs of peak inflation, noting that the Fed's focus is broader than a month or two of data and that it will continue pushing ahead until inflation moves down closer to its 2% target. He also acknowledged that the fight against inflation may cause some economic pain, but warned that "failure to restore price stability would mean far greater pain." The CBI distributive trades survey's retail sales balance in the UK rose to 37 in August of 2022 from -4 in July, the highest since November last year and easily beating market expectations of -7. The Confederation of British Industry's order book balance fell to -7 in the three months to August of 2022 from 8 in July, and compared to market forecasts of 3. The reading pointed to the first decline in industrial output since April of 2021, with no growth expected in the three months ahead. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the British Pound was fixed at 93.4801 Technically market is under fresh selling as market has witnessed gain in open interest by 21.22% to settled at 178463 while prices down -1.05 rupees, now GBPINR is getting support at 93.54 and below same could see a test of 93.29 levels, and resistance is now likely to be seen at 94.07, a move above could see prices testing 94.35.

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## NSE-CUR JPYINR Sep 2022



	Open	High	Low	Close
	58.20	58.29	57.90	58.02
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	58.24	58.46	58.63	
	Support 1	Support 2	Support 3	
	57.85	57.68	57.46	
Net Change	% Change	Open Interest	Volume	
	-0.66	-1.13	66696	88063

## Trading Ideas for the Day

- # JPYINR trading range for the day is 57.68-58.46.
- # JPY dropped as Japan leading economic index lowest in 3 months
- # BOJ member Toyoaki Nakamura stressed the need to maintain massive stimulus to support a fragile economic recovery
- # Japan coincident index highest in near 3 years

## Market Snapshot

JPYINR yesterday settled down by -1.13% at 58.0175 as the index of leading economic indicators in Japan, which is a gauge of the economy a few months ahead and is compiled using data such as job offers and consumer sentiment, was revised higher to 100.9 in June of 2022, compared to preliminary figures of 100.6, and after a final of 101.2 in May, which was the highest level in four months. It was the lowest figure since March, amid rising local COVID-19 cases and the ongoing global economic uncertainty. The index of coincident economic indicators in Japan, which consists of a range of data including factory output, employment, and retail sales, was at 98.6 in June of 2022, compared with the flash reading of 99.0 and a final 94.9 a month earlier. This was the highest reading since September 2019, amid further improvement in the COVID-19 situation with the government already lifting all pandemic restrictions and allowing foreign tourists to visit the country. Bank of Japan board member Toyoaki Nakamura stressed the need to maintain massive stimulus to support a fragile economic recovery, citing fresh Covid outbreaks, supply disruptions and slowing global demand. Moreover, the bank is expected to retain its current policy even after Japanese headline and core inflation rates accelerated to multi-year highs and remained above the central bank's 2% target. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the Japanese Yen at 57.71 Technically market is under fresh selling as market has witnessed gain in open interest by 20.89% to settled at 66696 while prices down -0.6625 rupees, now JPYINR is getting support at 57.85 and below same could see a test of 57.68 levels, and resistance is now likely to be seen at 58.24, a move above could see prices testing 58.46.

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## NEWS YOU CAN USE

# The index of leading economic indicators in Japan, which is a gauge of the economy a few months ahead and is compiled using data such as job offers and consumer sentiment, was revised higher to 100.9 in June of 2022, compared to preliminary figures of 100.6, and after a final of 101.2 in May, which was the highest level in four months. It was the lowest figure since March, amid rising local COVID-19 cases and the ongoing global economic uncertainty. The index of coincident economic indicators in Japan, which consists of a range of data including factory output, employment, and retail sales, was at 98.6 in June of 2022, compared with the flash reading of 99.0 and a final 94.9 a month earlier. This was the highest reading since September 2019, amid further improvement in the COVID-19 situation with the government already lifting all pandemic restrictions and allowing foreign tourists to visit the country.

# Profits at China's industrial firms sank in July, reversing previous gains as fresh COVID-19 curbs dragged down demand and squeezed factory margins, while power shortages due to heatwaves threatened production. Profits at China's industrial firms fell 1.1% in January-July from a year earlier, wiping out the 1.0% growth logged during the first six months, the National Bureau of Statistics said. Factory production and activities in major manufacturing hubs like Shenzhen and Tianjin were hit in the month as fresh COVID curbs were imposed. In July, China's industrial output growth slowed to 3.8% on-year from 3.9% in June. Searing heatwaves have swept across China's vast Yangtze River basin since mid-July, hammering densely populated cities from Shanghai to Chengdu. Liabilities at industrial firms jumped 10.5% from a year earlier in July, matching the 10.5% increase in June, the statistics bureau said. China's economy narrowly escaped contraction in the three months to June, as strict COVID control restrictions and a distressed property sector pummelled demand.

# The tradeoffs facing global central bankers – between jobs, inflation and growth – are likely to get worse in coming years as the world struggles to right job markets and supply chains, and price pressures continue, Gita Gopinath, the International Monetary Fund's first deputy managing director, told global policymakers. Given the risks of inflation becoming embedded, Gopinath said top central banks will need to be uniformly tough despite the possible costs. "Central banks must act decisively to bring inflation back to target and anchor inflation expectations," she told the Jackson Hole central banking conference in Wyoming. Her remarks are part of what has become a rapid reset in how central bankers are approaching their jobs, with many facing rapid price hikes for the first time in their careers. Policy approaches that seemed justified even a few months ago, such as running a "hot" economy to boost jobs and assuming that supply shocks would disappear, no longer seem safe, Gopinath said.

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