



CURRENCY REPORT

- Daily



CURRENCY REPORT

KEDIA ADVISORY

Tuesday, September 13, 2022

Currency Table

Currency	Exp. Date	Open	High	Low	Close	Change	O.Int	% Cng OI	Volume	ATP
USD-INR	Sep 2022	80.07	80.07	79.57	79.63	↓ -0.09	3378220	-1.87	2174864	79.69
EUR-INR	Sep 2022	80.50	81.24	80.41	80.74	↑ 0.55	132581	0.01	451076	80.85
GBP-INR	Sep 2022	92.62	93.21	92.62	93.03	↑ 0.57	173857	-6.84	310247	92.97
JPY-INR	Sep 2022	56.05	56.05	55.73	55.93	↓ -0.66	94797	9.61	112180	55.88

Currency Spot (Asian Trading)

Particulars	Open	High	Low	LTP	% Change
EURUSD	1.0120	1.0147	1.0117	1.0131	↑ 0.12
EURGBP	0.8662	0.8671	0.8659	0.8665	↑ 0.03
EURJPY	144.51	144.77	144.20	144.36	↓ -0.08
GBPJPY	166.77	167.02	166.39	166.56	↓ -0.13
GBPUSD	1.1679	1.1706	1.1672	1.1689	↑ 0.09
USDJPY	142.80	142.82	142.27	142.50	↓ -0.20

Economical Data

TIME	ZONE	DATA
11:30am	EUR	German Final CPI m/m
1:30pm	EUR	Italian Quarterly Unemployment Rate
2:30pm	EUR	ZEW Economic Sentiment
2:30pm	EUR	German ZEW Economic Sentiment
3:30pm	USD	NFIB Small Business Index
All Day	EUR	ECOFIN Meetings
6:00pm	USD	CPI m/m
6:00pm	USD	Core CPI m/m
Tentative	USD	IBD/TIPP Economic Optimism
10:31pm	USD	30-y Bond Auction
11:30pm	USD	Federal Budget Balance

Stock Indices

Index	Last	Change	Commodity	Last	Change
CAC40	6252.0	↑ 0.64	Gold\$	1721.5	↓ -0.13
DAX	13233.2	↑ 1.11	Silver\$	19.6	↓ -0.76
DJIA	32423.8	↑ 0.85	Crude\$	88.7	↑ 1.14
FTSE 100	3435.7	↑ 0.58	Copper \$	7976.5	↓ -0.34
HANG SENG	19362.2	↑ 2.69	Aluminium \$	2304.0	↑ 0.50
KOSPI	2029.5	↓ -0.23	Nickel\$	24400.0	→ 0.00
NASDAQ	12245.5	↑ 1.10	Lead\$	1953.5	↑ 0.08
NIKKEI 225	28542.1	↑ 1.16	Zinc\$	3236.0	↑ 0.84

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	12/9/2022	6,565.89	4,516.24	2,049.65

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

Category	Date	Buy Value	Sell Value	Net Value
DII	12/9/2022	6,631.26	7,521.77	-890.51

Spread

Currency	Spread
NSE-CUR USDINR Sep-Oct	0.21
NSE-CUR EURINR Sep-Oct	0.36
NSE-CUR GBPINR Sep-Oct	0.34
NSE-CUR JPYINR Sep-Oct	0.30

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Tuesday, September 13, 2022

NSE-CUR USDINR Sep 2022



Trading Ideas for the Day

- # USDINR trading range for the day is 79.25-80.25.
- # Rupee ended up marginally higher after hitting a near two-week high, as dollar demand from importers capped gains.
- # Inflation rate in India accelerated for the first time in four months to 7% in August of 2022 from 6.71% in July
- # India's merchandise exports to rise over 11% to \$114 b in July-Sept: Report

Market Snapshot

USDINR yesterday settled down by -0.09% at 79.625 as dollar demand from importers capped gains. The dollar index fell toward 108.5 on Monday, retreating further from 20-year highs, as an increasingly hawkish outlook on European Central Bank policy weighed on the greenback. India's merchandise exports are expected to grow by 11.4 per cent to hit \$114.4 billion during the July-September quarter of the current financial year, data from Exim Bank showed. However, the rise in exports during the second quarter of FY23 could be shadowed by softening global commodity prices. India's foreign exchange reserves dropped to their lowest since October 2020, as the Reserve Bank of India (RBI) proactively intervened to aid the local currency in the face of a surging dollar. India's FX reserves dropped to \$553.1 billion in the week ended Sept. 2, a decline of almost \$8 billion from the previous week, according to data released by the RBI. It was the biggest drawdown in reserves since early July. Last week, RBI Governor Shaktikanta Das said the central bank will anchor expectations around the depreciating rupee and intervene to prevent an overshoot, ensuring the exchange rate reflects fundamentals. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the USD at 79.6776. Technically market is under long liquidation as the market has witnessed a drop in open interest by -1.87% to settle at 3378220 while prices are down -0.075 rupees, now USDINR is getting support at 79.44 and below same could see a test of 79.25 levels, and resistance is now likely to be seen at 79.94, a move above could see prices testing 80.25.

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KEDIA ADVISORY

Tuesday, September 13, 2022

NSE-CUR EURINR Sep 2022



Trading Ideas for the Day

- # EURINR trading range for the day is 79.97-81.63.
- # Euro jumped as European Central Bank officials pushed the case for further aggressive monetary tightening.
- # ECB policymakers see a rising risk that the key rate will need to increase to 2% or more to curb record inflation.
- # Bundesbank President Joachim Nagel said that if the picture for consumer prices doesn't change, "further clear steps must follow."

Market Snapshot

EURINR yesterday settled up by 0.55% at 80.7425 as European Central Bank officials pushed the case for further aggressive monetary tightening. The greenback idled not far from a two-week low ahead of key U.S. inflation data this week that might allow the Federal Reserve to consider whether to slow the pace of rate hikes at its Sept. 21 policy meeting. European Central Bank policymakers see a rising risk that they will have to raise their key interest rate to 2% or more to curb record-high inflation in the euro zone despite a likely recession. With inflation hitting 9.1% in August and seen above the ECB's 2% target for two years to come, the central bank has been raising its interest rates at record speed and urging governments to help bring down energy bills that have ballooned since Russia invaded Ukraine. The ECB raised its deposit rate from zero to 0.75% and President Christine Lagarde guided for another two or three hikes, saying rates were still far away from a level that will bring inflation back to 2%. Bundesbank President Joachim Nagel said that if the picture for consumer prices doesn't change, "further clear steps must follow." The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the Euro at 80.3671. Technically market is under fresh buying as the market has witnessed a gain in open interest by 0.01% to settle at 132581 while prices are up 0.445 rupees, now EURINR is getting support at 80.36 and below same could see a test of 79.97 levels, and resistance is now likely to be seen at 81.19, a move above could see prices testing 81.63.

CURRENCY REPORT

KEDIA ADVISORY

Tuesday, September 13, 2022

NSE-CUR GBPINR Sep 2022



	Open	High	Low	Close
	92.62	93.21	92.62	93.03
Support and Resistance for the Day		Resit 1	Resit 2	Resit 3
		93.28	93.54	93.87
		Support 1	Support 2	Support 3
	92.69	92.36	92.10	
Net Change		% Change	Open Interest	Volume
	0.53	0.57	173857	310247

Trading Ideas for the Day

- # GBPINR trading range for the day is 92.36-93.54.
- # GBP rose supported by expectations of more and faster rate increases by the ECB, which in turn, raised market bets on more tightening by Bank of England.
- # UK economy grows by less than expected in July, power output falls
- # The trade deficit narrowed and industrial production unexpectedly contracted in July.

Market Snapshot

GBPINR yesterday settled up by 0.57% at 93.025 supported by expectations of more and faster rate increases by the ECB, which in turn, raised market bets on more tightening by the Bank of England. The Bank of England postponed this week's interest rate decision to September 22nd following the death of Queen Elizabeth. Meanwhile, the latest data showed the UK GDP rebounded 0.2%, slightly less than forecasts of 0.4 Britain's economy grew by less than expected in July when it expanded by 0.2% from June with a fall in power production possibly reflecting higher energy tariffs, official data showed. In the three months to July, GDP was flat compared with the previous three-month period. Last month, the Bank of England forecast that Britain would slip into a recession at the end of 2022 and not come out of it until early 2024, due in large part to the hit to living standards from the energy price surge. The trade deficit narrowed and industrial production unexpectedly contracted in July. The sterling hit \$1.140 last week, the lowest since 1985 as the British economy is heading toward an economic recession expected to last by at least 5 quarters and inflation is expected to hit 13.3% in October. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the British Pound was fixed at 92.5742 Technically market is under short covering as the market has witnessed a drop in open interest by -6.84% to settle at 173857 while prices are up 0.5275 rupees, now GBPINR is getting support at 92.69 and below same could see a test of 92.36 levels, and resistance is now likely to be seen at 93.28, a move above could see prices testing 93.54.

CURRENCY REPORT

KEDIA ADVISORY

Tuesday, September 13, 2022

NSE-CUR JPYINR Sep 2022



	Open	High	Low	Close
	56.05	56.05	55.73	55.93
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	56.08	56.22	56.40	
	Support 1	Support 2	Support 3	
	55.76	55.58	55.44	
Net Change	% Change	Open Interest	Volume	
-0.37	-0.66	94797	112180	

Trading Ideas for the Day

- # JPYINR trading range for the day is 55.58-56.22.
- # JPY dropped despite authorities said they are ready to take action if the currency's rapid decline remains volatile.
- # BOJ set to end COVID – relief scheme, but no change to loose policy
- # BOJ is widely expected to maintain its interest-rate targets at -0.1% for short-term rates and around 0% for the 10-year government bond yield.

Market Snapshot

JPYINR yesterday settled down by -0.66% at 55.9325 despite authorities said they are ready to take action if the currency's rapid decline remains volatile. Japanese officials again hinted at intervention, with a senior government spokesman saying in a local television interview that the administration must take steps as needed to counter excessive yen declines. The Bank of Japan is expected to end as scheduled a pandemic-relief funding scheme this month and discuss adjustments to a policy guidance that flags the COVID-19 pandemic as the top economic risk. A final decision will be made at the BOJ's policy meeting on Sept. 21-22, when the board will scrutinise data to ensure Japan's persistently high coronavirus cases do not lead to a sharp drop in economic activity, the sources said. Japan's economy expanded an annualised 2.2% in April-June, staging a slower-than-expected rebound from a COVID-induced slump as a resurgence in infections, supply constraints and rising raw material costs weigh on consumption and output. The winding up of the scheme would reflect easing funding strains among small, service-sector firms that were hardest hit by the pandemic, as the lifting of COVID-related curbs including easing border controls help revive consumption. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the Japanese Yen at 55.56 Technically market is under fresh selling as the market has witnessed a gain in open interest by 9.61% to settle at 94797 while prices are down -0.37 rupees, now JPYINR is getting support at 55.76 and below same could see a test of 55.58 levels, and resistance is now likely to be seen at 56.08, a move above could see prices testing 56.22.

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NEWS YOU CAN USE

European Central Bank policymakers see a rising risk that they will have to raise their key interest rate to 2% or more to curb record-high inflation in the euro zone despite a likely recession. With inflation hitting 9.1% in August and seen above the ECB's 2% target for two years to come, the central bank has been raising its interest rates at record speed and urging governments to help bring down energy bills that have ballooned since Russia invaded Ukraine. The ECB raised its deposit rate from zero to 0.75% and President Christine Lagarde guided for another two or three hikes, saying rates were still far away from a level that will bring inflation back to 2%. Five sources close to the matter said many policymakers saw a growing probability that they will need to take the rate into "restrictive territory", jargon for a level of rates that causes the economy to slow, at 2% or above.

The Bank of Japan is expected to end as scheduled a pandemic-relief funding scheme this month and discuss adjustments to a policy guidance that flags the COVID-19 pandemic as the top economic risk. A final decision will be made at the BOJ's policy meeting on Sept. 21-22, when the board will scrutinise data to ensure Japan's persistently high coronavirus cases do not lead to a sharp drop in economic activity, the sources said. Japan's economy expanded an annualised 2.2% in April-June, staging a slower-than-expected rebound from a COVID-induced slump as a resurgence in infections, supply constraints and rising raw material costs weigh on consumption and output. The winding up of the scheme would reflect easing funding strains among small, service-sector firms that were hardest hit by the pandemic, as the lifting of COVID-related curbs including easing border controls help revive consumption. At the policy meeting, the BOJ is widely expected to maintain its interest-rate targets at -0.1% for short-term rates and around 0% for the 10-year government bond yield.

U.S. Treasury Secretary Janet Yellen said falling gasoline prices may put further downward pressure on headline consumer price inflation for August but there is a lot of uncertainty over the inflation outlook due to Russia's war in Ukraine and energy supplies. Speaking to reporters in Detroit, Yellen said she also was concerned about the global outlook due to an acute energy crisis in Europe. "Gas prices have been falling now for essentially 80 days in a row, which is certainly good news," Yellen said. "And it caused headline inflation to actually go into negative territory in July and I think there will be some further impetus in the next report -- gas prices have continued to fall." The Commerce Department is due to report Consumer Price Inflation for August on Sept. 13. But Yellen declined to speculate on a longer-term outlook for inflation, citing uncertainties over Russia's war against Ukraine but said the Federal Reserve was taking action "and will do what's needed to get inflation under control."

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