



# CURRENCY REPORT

- Daily



# CURRENCY REPORT

KEDIA ADVISORY

Friday, September 16, 2022

## Currency Table

Currency	Exp. Date	Open	High	Low	Close	Change	O.Int	% Cng OI	Volume	ATP
USD-INR	Sep 2022	79.51	79.91	79.36	79.86	↑ 0.33	2998372	-2.77	2696609	79.72
EUR-INR	Sep 2022	79.58	79.82	79.41	79.77	↑ 0.11	121647	-4.24	350621	79.61
GBP-INR	Sep 2022	91.85	92.07	91.73	91.98	↓ -0.04	184463	1.04	291999	91.89
JPY-INR	Sep 2022	55.62	55.85	55.52	55.81	↑ 0.23	91987	0.36	52303	55.67

## Currency Spot (Asian Trading)

Particulars	Open	High	Low	LTP	% Change
EURUSD	0.9996	1.0012	0.9984	0.9991	↓ -0.04
EURGBP	0.8715	0.8728	0.8712	0.8722	↑ 0.09
EURJPY	143.42	143.49	142.92	143.21	↓ -0.15
GBPJPY	164.47	164.59	163.91	164.19	↓ -0.20
GBPUSD	1.1466	1.1481	1.1448	1.1454	↓ -0.10
USDJPY	143.47	143.53	142.80	143.33	↓ -0.09

## Economical Data

TIME	ZONE	DATA
11:30am	GBP	Retail Sales m/m
1:30pm	EUR	Italian Trade Balance
2:30pm	EUR	Final CPI y/y
2:30pm	EUR	Final Core CPI y/y
7:30pm	USD	Prelim UoM Consumer Sentiment
7:30pm	USD	Prelim UoM Inflation Expectations

## Stock Indices

Index	Last	Change	Commodity	Last	Change
CAC40	6234.8	↑	Gold\$	1662.0	↓ -0.07
DAX	13081.3	↑	Silver\$	19.1	↓ -0.37
DJIA	31076.2	↓	Crude\$	85.8	↓ -3.82
FTSE 100	3435.7	↑	Copper \$	7683.0	↓ -0.37
HANG SENG	18957.3	↑	Aluminium \$	2291.0	↓ -1.04
KOSPI	2029.5	↓	Nickel\$	23250.0	→ 0.00
NASDAQ	11690.4	↓	Lead\$	1914.5	↑ 0.03
NIKKEI 225	27875.9	↑	Zinc\$	3157.5	↓ -0.46

## 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	15/09/2022	7,763.50	9,034.18	-1,270.68

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

Category	Date	Buy Value	Sell Value	Net Value
DII	15/09/2022	5,951.00	6,879.86	-928.86

## Spread

Currency	Spread
NSE-CUR USDINR Sep-Oct	0.21
NSE-CUR EURINR Sep-Oct	0.40
NSE-CUR GBPINR Sep-Oct	0.38
NSE-CUR JPYINR Sep-Oct	0.31

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## NSE-CUR USDINR Sep 2022



## Trading Ideas for the Day

- # USDINR trading range for the day is 79.16-80.26.
- # Rupee declined due to strong demand for the U.S. dollar from oil companies
- # While markets braced for a big rate hike from the U.S. Federal Reserve next week.
- # Fitch lowers India's FY23 GDP growth forecast to 7% from 7.8%

## Market Snapshot

USDINR yesterday settled up by 0.33% at 79.8625 due to strong demand for the U.S. dollar from oil companies, while markets braced for a big rate hike from the U.S. Federal Reserve next week. The rupee snapped a four-day winning streak after hotter-than-expected U.S. consumer inflation data earlier this week bolstered bets of a third large rate hike by the Fed next week. Fitch Ratings has slashed its growth forecast for India for the current fiscal year to 7 percent from the previous estimate of 7.8 percent. The ratings agency also cut its GDP growth forecast for the next fiscal year to 6.7 percent from the earlier estimate of 7.4 percent, it said. Fitch's latest growth estimate for FY23 is lower than the Reserve Bank of India's (RBI) forecast of 7.2 percent. "The economy recovered in 2Q22 (April-June) with growth of 13.5 percent, but this was below our...expectation of an increase of 18.5 percent," Fitch said in an update to its Global Economic Outlook report. "Seasonally adjusted estimates show a 3.3 percent quarter-on-quarter decline in 2Q22 though this seems to be at odds with high-frequency indicators," Fitch added. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the USD at 79.583 Technically market is under short covering as the market has witnessed a drop in open interest by -2.77% to settle at 2998372 while prices are up 0.2625 rupees, now USDINR is getting support at 79.51 and below same could see a test of 79.16 levels, and resistance is now likely to be seen at 80.06, a move above could see prices testing 80.26.

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## NSE-CUR EURINR Sep 2022



### Trading Ideas for the Day

- # EURINR trading range for the day is 79.25-80.09.
- # Euro remained supported as hourly labor costs in the euro area increased by 4.2 percent year-on-year in the second quarter of 2022
- # Wholesale prices in Germany rose by 18.9% year-on-year in August of 2022, after a 19.5% gain in the prior month.
- # Wages and salaries in the euro zone rose at the second highest recorded rate in the April-June period

### Market Snapshot

EURINR yesterday settled up by 0.11% at 79.7725 as hourly labor costs in the euro area increased by 4.2 percent year-on-year in the second quarter of 2022, picking up from a revised 4.0 percent rise in the previous period. The European Commission's unveiling of a series of proposals to curb the energy price spike that has rocked Europe and weakened the euro, also gave the common currency some support. Wholesale prices in Germany rose by 18.9% year-on-year in August of 2022, after a 19.5% gain in the prior month. The latest result continued to highlight the impact of rising prices for raw materials and intermediate products due to the war in Ukraine. Wages and salaries in the euro zone rose at the second highest recorded rate in the April-June period, confirming that spiralling inflation is leading to higher labour costs, a headache for the European Central Bank. Hourly wage costs increased by 4.1% in the second quarter of 2022, up from 3.7% in the first quarter, EU statistics office Eurostat said. In data stretching back to 2010, the only higher figure was the 5.2% of the second quarter of 2020, when government support schemes were propping up parts of the labour market during the height of the coronavirus pandemic. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the Euro at 79.2726 Technically market is under short covering as the market has witnessed a drop in open interest by -4.24% to settle at 121647 while prices are up 0.085 rupees, now EURINR is getting support at 79.51 and below same could see a test of 79.25 levels, and resistance is now likely to be seen at 79.93, a move above could see prices testing 80.09.

# CURRENCY REPORT

KEDIA ADVISORY

Friday, September 16, 2022

## NSE-CUR GBPINR Sep 2022



	Open	High	Low	Close
	91.85	92.07	91.73	91.98
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	92.12	92.26	92.45	
	Support 1	Support 2	Support 3	
	91.79	91.60	91.46	
Net Change	% Change	Open Interest	Volume	
-0.04	-0.04	184463	291999	

## Trading Ideas for the Day

- # GBPINR trading range for the day is 91.6-92.26.
- # GBP remained under pressure as concerns over the economic outlook for the UK and political uncertainty weighed.
- # The inflation rate unexpectedly slowed due to lower fuel cost, but the core rate increased to a fresh record.
- # British consumer price inflation fell for the first time in almost a year in August

## Market Snapshot

GBPINR yesterday settled down by -0.04% at 91.98 as concerns over the economic outlook for the UK and political uncertainty weighed. Fresh figures releases showed the inflation rate unexpectedly slowed due to lower fuel cost, but the core rate increased to a fresh record. At the same time, the GDP rebounded less than expected in July, while the jobless rate hit the lowest since 1974, but employment slowed and more people move away from the labour force. Most investors are expecting the BoE to deliver a 75bps rate hike later this month which would be its biggest rate rise since 1989, excluding a brief attempt to bolster sterling during a 1992 exchange rate crisis, according to Reuters. British consumer price inflation fell for the first time in almost a year in August as a drop in fuel prices offered some unexpected - and probably brief - respite to households and the Bank of England. Annual consumer price growth slowed to 9.9% from July's 40-year high of 10.1%, the Office for National Statistics said. This was its first drop since September 2021 and below expectations it to rise to 10.2%. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the British Pound was fixed at 91.6186 Technically market is under fresh selling as the market has witnessed a gain in open interest by 1.04% to settle at 184463 while prices are down -0.04 rupees, now GBPINR is getting support at 91.79 and below same could see a test of 91.6 levels, and resistance is now likely to be seen at 92.12, a move above could see prices testing 92.26.

# CURRENCY REPORT

KEDIA ADVISORY

Friday, September 16, 2022

## NSE-CUR JPYINR Sep 2022



	Open	High	Low	Close
	55.62	55.85	55.52	55.81
Support and Resistance for the Day	Resit 1	Resit 2	Resit 3	
	55.93	56.05	56.25	
	Support 1	Support 2	Support 3	
	55.61	55.41	55.29	
Net Change	% Change	Open Interest	Volume	
	0.13	0.23	91987	52303

## Trading Ideas for the Day

- # JPYINR trading range for the day is 55.41-56.05.
- # JPY dropped as Bank of Japan conducted a rate check in apparent preparation for currency intervention.
- # Japan's trade balance posted a larger-than-expected deficit in August
- # Japan's trade deficit surged to JPY 2,817.3 billion in August 2022 from a JPY of 653.4 billion in the same month a year earlier

## Market Snapshot

JPYINR yesterday settled up by 0.23% at 55.8125 as the Bank of Japan conducted a rate check in apparent preparation for currency intervention, while other majors tried to regain the ground they'd lost a day earlier on the surging dollar. Japanese Finance Minister Shunichi Suzuki told reporters on Wednesday that recent yen moves have been "rapid and one-sided", adding that yen-buying currency intervention was among the government's options should such moves continue. Japan's trade balance posted a larger-than-expected deficit in August as imports surged on high energy costs and a weaker yen, highlighting the country's fragile economic recovery and vulnerability to external price pressures. Japan's trade deficit surged to JPY 2,817.3 billion in August 2022 from a JPY of 653.4 billion in the same month a year earlier and compared with market consensus of a gap of JPY 2,398 billion. This was the largest trade shortfall on record and marked the 13th straight month of the deficit, highlighting the fragile nature of the country's economic recovery. Imports climbed 49.9% yoy to a fresh peak of JPY 10,879.2 billion, while exports grew by 22.1% to JPY 8,061.9 billion. Considering the first eight months of the year, Japan logged a trade gap of JPY 12,133.3 billion, compared with a surplus of JPY 1,935.6 billion in the corresponding period in 2021. The Financial Benchmark India Private Ltd (FBIL) set the reference rate for the Japanese Yen at 55.41 Technically market is under fresh buying as the market has witnessed a gain in open interest by 0.36% to settle at 91987 while prices are up 0.13 rupees, now JPYINR is getting support at 55.61 and below same could see a test of 55.41 levels, and resistance is now likely to be seen at 55.93, a move above could see prices testing 56.05.

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## NEWS YOU CAN USE

# Japan ran its biggest single-month trade deficit on record in August as imports surged on high fuel costs and a slump in the yen, exposing the economy's vulnerability to external price pressures. The growing trade deficit highlights the fragile nature of Japan's economic recovery which has so far largely remained intact despite a high price tag firms are paying for imports that is aggravated by the yen's slide to a 24-year low and rising prospects of a global slowdown. Imports jumped 49.9% in the year to August, driven by costs of crude oil, coal and liquefied natural gas (LNG), and causing the trade deficit to swell to 2.8173 trillion yen (\$19.71 billion), the biggest shortfall on record. Japan's economy grew for a third straight quarter in April-June, data last week showed, as the lifting of local COVID-19 restrictions boosted consumer and business spending. Oil imports from the United Arab Emirates and coal and LNG from Australia strongly drove up overall imports, the data showed.

# British consumer price inflation fell for the first time in almost a year in August as a drop in fuel prices offered some unexpected - and probably brief - respite to households and the Bank of England. Annual consumer price growth slowed to 9.9% from July's 40-year high of 10.1%, the Office for National Statistics said on Wednesday. This was its first drop since September 2021 and below expectations it to rise to 10.2%. However, economists warned inflation was likely to peak at around 11% in October when a new household energy tariff cap begins, and said it could be slow to fall due to underlying pressures and new government fiscal stimulus. Financial markets see an 80% chance that the BoE will raise rates by 0.75 percentage points to 2.5% on Sept. 22. This would be its biggest rate rise since 1989, excluding a brief attempt to bolster sterling during a 1992 exchange rate crisis.

# Fitch Ratings has slashed its growth forecast for India for the current fiscal year to 7 percent from the previous estimate of 7.8 percent. The ratings agency also cut its GDP growth forecast for the next fiscal year to 6.7 percent from the earlier estimate of 7.4 percent, it said. Fitch's latest growth estimate for FY23 is lower than the Reserve Bank of India's (RBI) forecast of 7.2 percent. "The economy recovered in 2Q22 (April-June) with growth of 13.5 percent, but this was below our...expectation of an increase of 18.5 percent," Fitch said in an update to its Global Economic Outlook report. "Seasonally adjusted estimates show a 3.3 percent quarter-on-quarter decline in 2Q22 though this seems to be at odds with high-frequency indicators," Fitch added. As part of the update to its Global Economic Outlook report, Fitch also cut its global growth forecast, citing the European gas crisis, high inflation, and a sharp acceleration in the pace of global monetary policy tightening.

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