

Friday, 1 February 2019

## DOMESTIC MARKET ACTIVITY AS ON 31-01-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2045751	-0.04	15729.28	+52.44	2207579	+52.91
EURINR	86084	+13.24	832.54	+88.06	101361	+87.57
GBPINR	59125	+5.73	886.34	-10.01	94612	-10.05
JPYINR	52854	+21.18	325.96	+52.56	49617	+52.24

## CURRENCY UPDATES

- DOLLAR INDEX-** The dollar extended losses against its major rivals on Thursday, plumbing three-week lows after the Federal Reserve dialled back its predictions of future rate hikes this year, amid increasing uncertainty over the global economic outlook. The Fed left interest rates on hold at the conclusion of its meeting on Wednesday and said it would be "patient" before making any further rate hikes, dropping its guidance that 'further gradual' rate rises will be needed. "The Fed has went as far as expectations were raised in terms of being dovish. the responsive reaction by the Fed means that the chances of a recession have faded," said Michael McCarthy, chief markets strategist at CMC Markets. The U.S. dollar index, a gauge of its value versus six major peers, was down 0.13% to 94.91 by 03:37 AM ET (08:37 GMT), close to a three-week low after falling 0.5% on Wednesday. The greenback had been on the back foot even before the Fed's dovish signal, with policymakers in recent weeks signalling that a cautious approach would be taken after the U.S. central bank hiked rates four times in 2018. Not surprisingly, analysts are bearish on the dollar, as the U.S. - China trade war and rising pressure on global growth threaten to hit the U.S. economy. The greenback had outperformed last year thanks to the rate hikes and the robustness of the U.S. economy.
- EUR/USD -** The better tone in the Japanese safe haven is sustaining another daily pullback in USD/JPY, which has so far met support in the mid-108.00s. The pair is down for the second session in a row on Thursday, accelerating the decline in response to the now neutral message from the Federal Reserve at yesterday's meeting. The Committee now stressed that further decisions on monetary policy will look to the performance of domestic and overseas fundamentals, while gave no clues regarding the timing of end of the balance sheet run-off. Data wise today, a plethora of releases should keep the attention on the buck: PCE figures, Personal Income/Spending, Challenger Job Cuts, Initial Claims, New Home Sales and the Employment Cost Index.

## TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	71.27	-0.10	70.87	71.07	71.23	71.43	71.58
EUR-INR	82.02	+0.38	81.71	81.87	82.03	82.19	82.35
GBP-INR	93.67	+0.15	92.83	93.25	93.54	93.96	94.26
JPY-INR	65.68	+0.55	65.14	65.41	65.62	65.89	66.09

**CURRENCY IN FOCUS**

**EUR-INR (Feb)**



**Technical Strategy: Sell EUR-INR Feb. below 82.00 with SL above 82.20 TP-81.75/81.55.**

**Major Economic Data and Events Schedule For 01-02-2019**

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
-	-	No major release	-	-	-

Impact - High Medium Low

**Note:** Economic data expectations are based on median forecast by economists or Reuters and Bloomberg survey. Here positive impact indicates currency could appreciate and negative indicates currency could depreciate in comparison with US Dollar.

**Contact**

SMS: 'Arihant' to 56677

**Website**[www.arihantcapital.com](http://www.arihantcapital.com)**Email Id**[research@arihantcapital.com](mailto:research@arihantcapital.com)

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## Arihant Capital Markets Ltd

Commodity/Currency Research Desk: 6, Lad Colony, Y.N. Road Indore-3

T: 0731-4217191. Fax: 0731-4217103

Corporate Office: 1011, Solitaire Corporate Park, Building No.10, 1st Floor,

Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093

D. +91.22.42254800 and 67114800

[www.arihantcapital.com](http://www.arihantcapital.com)