

Thursday, 02 May 2019

DOMESTIC MARKET ACTIVITY AS ON 30-04-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2577979	+4.00	17347.01	+15.34	2474966	+15.91
EURINR	49230	-0.31	548.50	+70.04	69733	+70.07
GBPINR	32260	-4.22	1036.52	+15.11	113900	+15.15
JPYINR	23666	-7.25	223.12	+25.48	35407	+25.78

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar index, which measures the greenback against a basket of six major currencies, was at 97.205, effectively unchanged. Elsewhere, the prospect of the U.S. and China striking a trade deal appears to have risen, after reports that the U.S. had dropped one of its key demands - its insistence that China stop alleged instances of cyber-theft. The Financial Times' sources told it that this made a watered-down trade deal more likely. "Talks cannot continue indefinitely, and both sides need a win," said Helen Thomas, founder of the consultancy Blonde Money in Oxford. President Donald Trump "might not always get everything he wants," she said, pointing to his past negotiations with Mexico and North Korea, "But that doesn't matter to him. As long as he can sell it as a win, it doesn't matter about the finer points."
- EUR/USD** - EUR/USD continues to climb this week, as the pair has gained close to 1.0 percent. Currently, the pair is trading at 1.1236, up 0.18%. The pair is currently at its highest level since April 23. German banks are closed for the May Day holiday, so the pair is unlikely to show much movement on Wednesday. In economic news, there are no German or euro zone events. In the U.S., all eyes are on the Federal Reserve, which releases its rate statement. The U.S. will release ADP nonfarm payrolls, which is expected to jump to 181 thousand, after a weak reading of 129 thousand in the previous release. As well, the ISM Manufacturing PMI is expected to drop to 55.0 points. On Thursday, Germany releases manufacturing PMI and retail sales, while the U.S. posts unemployment claims. Will the Federal Reserve rain on the euro party? Rate-makers are expected to sit on the sidelines and keep rates at a range between 2.25-2.50 percent. Investors will be focused on the rate statement, looking for clues regarding the next rate move. The Federal Reserve has said it expects to hold interest rate levels for the rest of the year, and the most recent inflation numbers will reinforce that stance, as the Fed target of 2.0% remains elusive.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.85	-0.70	69.57	69.71	69.95	70.09	70.33
EUR-INR	78.56	-0.02	78.36	78.46	78.62	78.72	78.88
GBP-INR	91.00	+0.04	90.61	90.81	90.98	91.17	91.34
JPY-INR	62.88	-0.28	62.67	62.77	62.97	63.08	63.27

CURRENCY IN FOCUS

EUR-INR (May)



Technical Strategy: Sell EUR-INR May AT 78.60 -78.62 with SL above 78.80 TP-78.30/78.10.

Major Economic Data and Events Schedule For 02-05-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
4:30pm	GBP	BOE Inflation Report	-	-	High
-	-	MPC Official Bank Rate Votes	0-0-9	0-0-9	Low
-	-	Monetary Policy Summary	-	-	High
-	-	Official Bank Rate	0.75%	0.75%	Low
5:00pm	-	BOE Gov Carney Speaks	-	-	High

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.

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