

Friday, 03 May 2019

DOMESTIC MARKET ACTIVITY AS ON 02-05-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2680867	+3.99	10914.67	-37.08	1564102	-36.80
EURINR	58591	+19.01	553.38	+0.89	70605	+1.25
GBPINR	30576	-5.22	1484.91	+43.26	162867	+42.99
JPYINR	23323	-1.45	138.01	-38.15	22018	-37.81

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar recovered on Thursday after suffering some brief losses overnight with traders focusing on relatively confident comments from Fed Chair Jerome Powell on the economy's outlook. The greenback took a beating after a surprisingly sharp retreat in the ISM index of manufacturing to 52.8 and downgrades of the U.S. inflation outlook prompted investors to sell the U.S. currency and push Treasury yields lower. But that changed when Fed Chair Jerome Powell said the factors dragging on inflation might be "transitory" and he saw no case for a rate move in either direction. As a result, the dollar was half a percent above overnight lows against a basket of its rivals while 10-year Treasury yields was seven basis points above overnight lows. "Powell is seeing the glass half full," said Konstantinos Anthis, Dubai-based head of research at ADSS. "What's more important though is that he made it clear that he sees no case for easing interest rates, which of course will not make President Trump happy at all." Still, interest rate futures markets are pricing in a 64 percent probability of a rate cut by the end of the year though that probability might change after monthly jobs data due on Friday and U.S. inflation data next week.
- EUR/USD -** EUR/USD price action shows that hopes of euro area recovery hinges on Germany Optimism in the euro levels off after Germany final manufacturing PMI data for April reaffirms the country's struggles After the release of the Spain, Italy and French final readings, EUR/USD climbed from 1.1205 to a high of 1.1219 before those gains levelled off to just under 1.1210 now after Germany's final reading confirmed that the country's manufacturing sector is still struggling heavily. With the backbone of the euro area's most important economy failing to stand upright, it will continue to prove to be an unwanted headwind for the single currency. And that is evident with a bit of the tapering of enthusiasm in EUR/USD price action earlier. If the final print for Germany actually showed a notable improvement to the initial estimate, I would've expected the euro to keep up with light bids throughout the session.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.59	-0.38	69.33	69.46	69.69	69.82	70.05
EUR-INR	78.21	-0.44	77.89	78.05	78.33	78.50	78.78
GBP-INR	90.96	-0.05	90.48	90.72	91.06	91.30	91.65
JPY-INR	62.54	-0.54	62.31	62.43	62.64	62.75	62.97

CURRENCY IN FOCUS

USD-INR (May)



Technical Strategy: Sell USD-INR May AT 69.68 – 69.70 with SL above 69.85 TP-69.50/69.35.

Major Economic Data and Events Schedule For 03-05-2019

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

Websitewww.arihantcapital.com**Email Id**research@arihantcapital.com

Arihantis Forbes Asia's '200 Best under a \$Billion' Company
'Best Emerging Commodities Broker' awarded by UTV Bloomberg

Disclaimer: This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

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