

Wednesday, 03 July 2019

DOMESTIC MARKET ACTIVITY AS ON 02-07-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	1898879	-9.71	11245.44	-2.03	1624822	-2.00
EURINR	59076	+2.70	686.79	-0.23	87607	+0.16
GBPINR	69178	+10.67	912.41	+12.25	104184	+12.59
JPYINR	39526	-4.42	160.98	-48.96	25131	-48.93

CURRENCY UPDATES

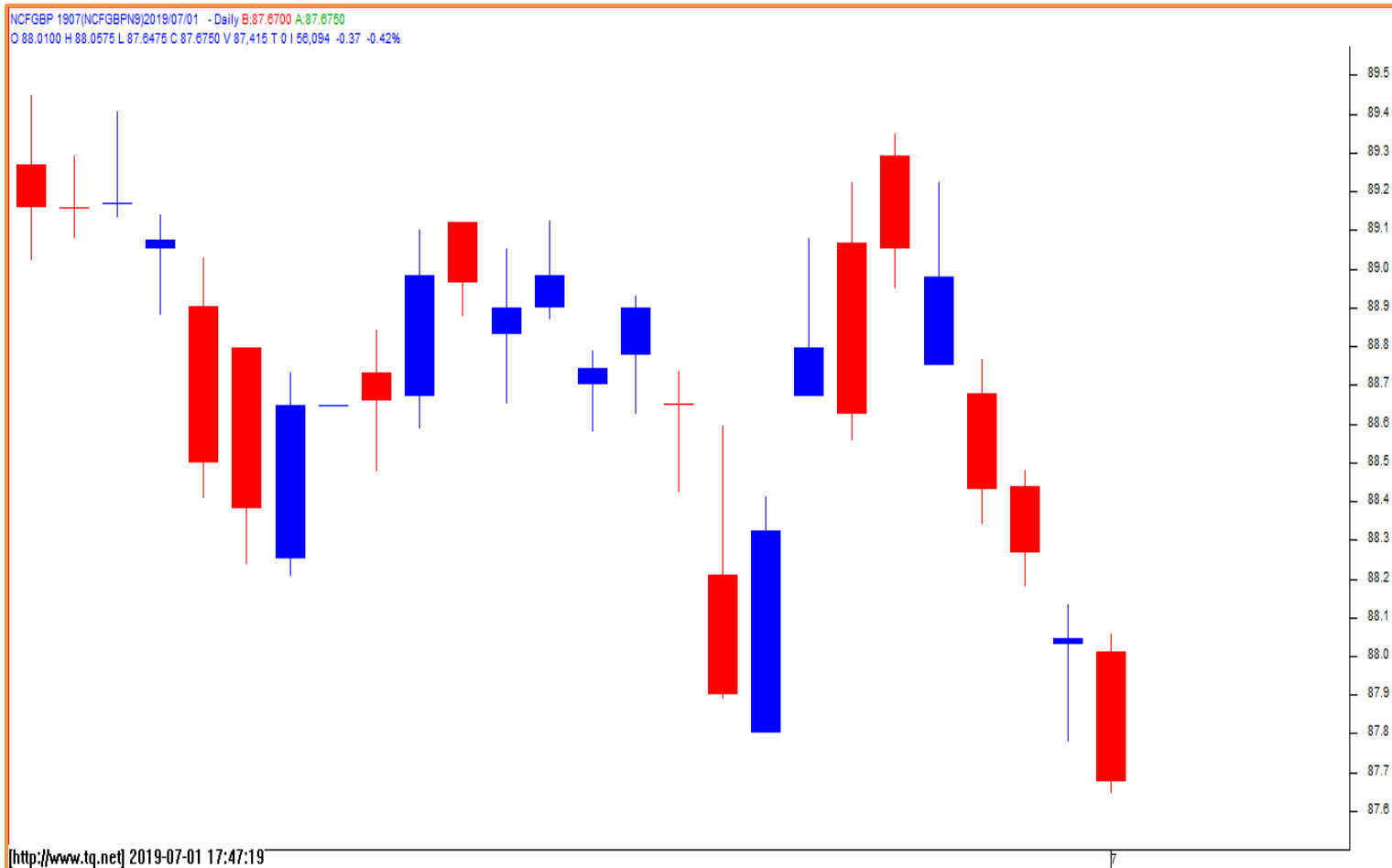
- DOLLAR INDEX-** The U.S. dollar slipped on Tuesday in Asia despite a trade truce between the U.S. and China. The Aussie dollar gained after the Reserve Bank of Australia (RBA) cut interest rates. The U.S. dollar index that tracks the greenback against a basket of other currencies slipped 0.1% to 96.352 by 1:20 AM ET (05:20 GMT). U.S. President Donald Trump and his Chinese counterpart Xi Jinping have agreed during a bilateral meeting at the summit in Osaka, Japan, to hold off on imposing new tariffs on imports of each other's goods and to move forward with trade negotiations. The trade agreement "has to be a deal that is somewhat tilted to our advantage" because of China's large, long term trade surplus over the U.S. for years, Trump added. The news sent stocks higher, but investor sentiment was later hit by disappointing manufacturing data from the U.S., as it showed growth of the country's manufacturing activities slowed last month and fell to its lowest level since September 2016. The U.S. jobs report is due Friday and is projected to show nonfarm payrolls rose by 164,000 in June, rebounding from 75,000 the month prior.
- EUR/USD-** The EURUSD corrected higher today after an Asian dip could not reach the 61.8% retracement at 1.12689 level .The move higher did find sellers near swing levels from June 20, June 21 and yesterday at 1.13164. The high stalled at 1.1319 before reversing back lower. The pair just reached 1.1290 which was about 4 pips from the close from yesterday at 1.1286. We currently trade back up at 1.1297. The 50% midpoint of the move up from the June 18 low comes in at 1.12962. Recall the pair yesterday ran from the 200 day MA and the 200 week MA. That weekend the intermediate bias on the breaks. For today, a move into the red today and below the 1.1282 level would have traders looking for another run at the 61.8% target at the 1.12689 level. Below that the 100 day MA at 1.12588 has been a swing level for bulls and bears (see blue circled numbers). I would expect buyers (if tested) to lean. If the aforementioned support is not broken, the trend line above will be eyed. It comes in at 1.1318 currently (and moving lower). Drilling to the 5 minute intraday chart, the 100 and 200 bars MA has been a bias barometer today. Stay above keeps the buyers a little more charge today.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.17	-0.02	69.04	69.11	69.19	69.25	69.33
EUR-INR	78.37	-0.46	77.92	78.14	78.33	78.56	78.75
GBP-INR	87.51	-0.20	87.28	87.40	87.56	87.67	87.83
JPY-INR	64.03	-0.10	63.80	63.92	64.03	64.14	64.26

CURRENCY IN FOCUS

GBP-INR (July)



Technical Strategy: Sell GBP-INR July AT 87.50 – 87.55 with SL above 87.70 TP-87.20/87.00.

Major Economic Data and Events Schedule For 03-07-2019

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

Impact - HighMediumLow

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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