

Tuesday, 04 June 2019

**DOMESTIC MARKET ACTIVITY AS ON 03-06-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	1926409	-0.63	16314.83	+37.65	2345140	+38.52
EURINR	59284	+13.36	543.13	-5.47	69697	-5.19
GBPINR	64611	+3.62	853.4	-31.14	96878	-30.94
JPYINR	57557	+8.45	301.98	-35.06	46896	-35.10

**CURRENCY UPDATES**

- DOLLAR INDEX-** The U.S. dollar was trading near one-week lows against a currency basket on Monday, with the yen and the Swiss franc, seen as safe havens in time of uncertainty, gaining ground as global trade tensions escalated. With the U.S. administration's combative stance on trade widening to countries beyond China, and with China threatening more countermeasures over the weekend, markets have started to price in a sharp slowdown in global growth. Those fears have been reflected in an 11% drop in the price of oil since Thursday. U.S. and Mexican officials are preparing for talks later in the day after U.S. President Donald Trump vowed to impose tariffs on all Mexican imports in an intensifying dispute over migration. "The Mexican news is quite punchy. No one was really expecting it to the same extent they were with China," said Chris Weston, Melbourne-based head of research at foreign exchange brokerage Pepper stone. "Mexico is a huge trade partner with the U.S."
- EUR/USD -** EUR/USD has started the week with slight gains. Currently, the pair is trading at 1.1185, up 0.15% on the day. On the release front, German manufacturing PMI ticked lower to 44.3, down from 44.4. The Euro zone indicator dropped from 47.9 to 47.7. Both scores matched the estimates. In the U.S., ISM Manufacturing PMI is expected to rise to 53.0, up from 52.8 in the previous release. On Tuesday, the euro zone releases CPI Flash Estimate. Weak global demand has taken a toll on German and euro zone manufacturing. In Germany, manufacturing PMIs have hovered below the 50-level for five months, while the euro zone indicator has been below 50 for four months. This points to persistent contraction in the manufacturing sector. The trade war between the U.S. and China has dampened demand for German cars, which has hurt the massive German car industry. Unless the U.S.-China trade war shows signs of being resolved, weak manufacturing data is likely to continue.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.40	-0.68	69.02	69.21	69.54	69.73	70.05
EUR-INR	77.80	-0.38	77.48	77.64	77.91	78.08	78.35
GBP-INR	87.86	-0.12	87.44	87.65	88.00	88.21	88.55
JPY-INR	64.16	-0.18	63.89	64.03	64.26	64.40	64.63

**CURRENCY IN FOCUS**

**JPY-INR (June)**



**Technical Strategy: Sell JPY -INR June AT 64.25 – 64.28 with SL above 64.45 TP-64.00/63.80.**

**Major Economic Data and Events Schedule For 04-06-2019**

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.

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