

Tuesday, 04 August 2018

DOMESTIC MARKET ACTIVITY AS ON 03-09-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	3588071	-3.68	15316.22	-9.82	2153387	-9.75
EURINR	167617	-1.05	792.76	-5.04	95855.00	-4.42
GBPINR	65610	-5.83	840.85	+14.89	91535	+15.89
JPYINR	65972	+3.69	177.91	-52.70	27740	-52.61

CURRENCY UPDATES

- DOLLAR INDEX**-The dollar consolidated near a one-week high against a basket of rivals on Monday as tensions around global trade negotiations fueled demand for the greenback, though concerns about capital flows checked gains. U.S. President Donald Trump said on Saturday there was no need to keep Canada in the North American Free Trade Agreement and warned Congress not to meddle with the trade talks or he would terminate the trilateral pact altogether. "Trade tensions are broadly supporting the dollar, but the market is hardly very conducive of risk," said Viraj Patel, an FX strategist at ING in London. Traders bought the dollar against the British pound and the Canadian dollar. The dollar's status as the chief reserve currency makes the U.S. currency the primary beneficiary of concern over trade conflicts. But gains were limited as analysts pointed out the quality of capital inflows into U.S. assets has worsened noticeably in recent weeks, suggesting the dollar's rise may be short-lived. "The quality of longer-term sticky flows into the dollar has started to weaken noticeably and we believe the dollar's gains may be coming to a close," said Hans Redeker, global head of foreign exchange strategy at Morgan Stanley (NYSE:MS) based in London.
- GBP/USD**- The pound extended losses on Monday after data showing that UK manufacturing activity fell to its lowest level in two years in August, weighed down by jitters over Brexit and the U.S.-China trade war. GBP/USD was down 0.56% to 1.2884 by 05:25 AM ET (09:25 AM GMT), off an intra-day high of 1.2933. The pound added to early losses after data showing that the Market UK manufacturing index dropped to 52.8 in August, down from 53.8 in July. It was the weakest reading in 25 months. Survey compiler Market said new exports fell last month for the first time in two years. This dragged job creation down to near-stagnation, while business optimism hit a 22-month low. Sterling had already come under pressure after the European Union's chief Brexit negotiator Michel Barnier said Sunday that he is "strongly" opposed to British Prime Minister Theresa May's proposals on future trade after Brexit.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	71.40	0.21	70.74	71.07	71.23	71.57	71.73
EUR-INR	83.02	-0.06	82.11	82.57	82.80	83.25	83.49
GBP-INR	91.93	-0.72	90.86	91.40	92.15	92.69	93.44
JPY-INR	64.26	-0.09	63.86	64.06	64.18	64.38	64.50

CURRENCY IN FOCUS

GBP-INR (Sep.)



Technical Strategy: Buy GBP-INR Sep above 92.00 with SL below 91.80 TP- 92.25/92.45.

Major Economic Data and Events Schedule For 04-09-2018

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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