

Tuesday, 5 February 2019

DOMESTIC MARKET ACTIVITY AS ON 04-02-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2289210	+9.80	14877.47	-27.09	2068285	-27.65
EURINR	91196	+4.42	429.18	-42.62	52020	-43.04
GBPINR	64523	+16.08	1118.99	-4.09	119000	-4.60
JPYINR	2289210	+9.80	14877.47	-27.09	2068285	-27.65

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar rose to one-week highs against the yen on Monday, as strong employment and factory data underpinned demand for the greenback, but the Federal Reserve's more cautious stance on monetary policy looked likely to hold gains in check. Data on Friday showed that the U.S. economy created 304,000 jobs in January, the most in 11 months, while a closely watched survey from the Institute of Supply Management showed manufacturing activity surprisingly picked up in January. The stronger-than-expected data eased concerns over a possible slowdown in the U.S. economy, leading traders to trim expectations the Fed would need to cut interest rates to support the economy later this year.
- EUR/USD -** EUR/USD is showing little movement in the Monday session. Currently, the pair is trading at 1.1450, up 0.05% on the day. There are no major events on the schedule. Euro zone Sentix Investor Confidence posted a third successive decline, with a score of -3.7 points. On the inflation front, PPI disappointed with a decline of 0.8%, its weakest reading since January 2016. On Tuesday, Germany and the euro zone release services PMIs. The euro zone will also publish retail sales. In the U.S, the key event is ISM Non-manufacturing PMI. German numbers continue to sag, raising concerns about the health of the euro zone economy. On Friday, German manufacturing PMI for January dipped to 49.7, below the 50-point level which separates contraction and expansion. This was the weakest score since October 2014. Trade tensions and weakness in the German auto sector continue to weigh on the manufacturing sector. This reading followed a very soft reading from German retail sales, which plunged 4.3% in December. This marked its sharpest decline in more than 12 years.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	72.02	+0.79	71.47	71.74	71.89	72.16	72.31
EUR-INR	82.59	+0.58	81.47	82.03	82.51	83.08	83.56
GBP-INR	94.06	+0.66	93.29	93.67	93.96	94.34	94.63
JPY-INR	65.67	-0.05	65.40	65.53	65.61	65.74	65.81

CURRENCY IN FOCUS

GBP-INR (Feb)



Technical Strategy: Buy GBP - INR Feb. AT 94.00 with SL below 93.80 TP-94.25/94.45.

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

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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