

Friday, 5 April 2019

DOMESTIC MARKET ACTIVITY AS ON 04-04-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2192471	+0.55	19500.33	-16.71	2816528	-16.98
EURINR	53745	-5.38	562.14	-7.49	72082	-7.78
GBPINR	47282	4.85	1200.05	-32.47	131453	-32.72
JPYINR	23925	-6.12	171.49	-17.83	27527	-18.16

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar is a little weaker in early trading in Europe Thursday as the euro shrugs off a disappointing set of factory orders in Germany that bode ill for a quick turnaround in the euro zone's largest economy. New orders to German manufacturers fell by 4.2% in February, the biggest monthly drop in two years, with the steepest drop coming from foreign markets outside the euro zone. Orders were also down 8.4% on the year. The indications are that the situation didn't improve much in March either, given that IHS Market's purchasing managers' index for the country's manufacturing sector fell further to a seven-year low in March. News that President Donald Trump is to meet China's top trade negotiator Liu He later on Thursday had little immediate effect on the currency market, which seems resigned to waiting for a final deal to be reached before drawing conclusions. The meeting was touted as a sign that talks are reaching their closing stage, but The Wall Street Journal reported that the U.S.'s insistence on keeping some tariffs in place on Chinese goods remains a major sticking point.
- EUR/USD -** EUR/USD is unchanged in Thursday trade. Currently, the pair is trading at 1.1231, down 0.02% on the day. On the release front, German factory orders plunged 4.2%, nowhere near the estimate of 0.3%. Later in the day, the ECB posts the minutes of its March meeting. In the U.S., today's highlight is unemployment claims, which is expected to rise to 215 thousand. On Friday, the U.S. releases wage growth and nonfarm payrolls, so traders should be prepared for movement from the pair. German manufacturing numbers continue to point downwards. Factory orders were dismal in February, declining for a fourth successive month. The euro zone's largest economy has slowed down as a result of the global trade war, with exports and manufacturing particularly hard-hit. Soft global demand could continue, and the Economy Ministry summed up the bleak situation, saying that "manufacturing momentum will continue to be subdued in the coming months, particularly due to lacking external demand".

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.42	+0.81	68.63	69.02	69.24	69.63	69.84
EUR-INR	78.08	+0.41	77.22	77.65	77.91	78.34	78.60
GBP-INR	91.30	+0.40	90.39	90.84	91.21	91.66	92.02
JPY-INR	62.42	+0.67	61.76	62.09	62.27	62.60	62.78

CURRENCY IN FOCUS

EUR-INR (Apr)



Technical Strategy: Buy EUR-INR Apr AT 77.92 -77.90 with SL below 77.70 TP-78.15/78.35.

Major Economic Data and Events Schedule For 05-04-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
6:00pm	USD	Non-Farm Payroll	175K	20K	High
-	-	Jobless Rate	3.8%	3.8%	-

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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