

Friday, 05 October 2018

**DOMESTIC MARKET ACTIVITY AS ON 04-10-2018**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	4092331	+11.09	27479.54	+7.51	3717036	+6.86
EURINR	114717	-2.74	654.48	-10.12	76952	-9.99
GBPINR	55125	+6.19	697.83	-2.55	72814	-2.84
JPYINR	31456	-1.99	146.83	-38.77	22675	-38.83

**CURRENCY UPDATES**

- DOLLAR INDEX-** The U.S. dollar eased but remained near one-and-a-half month highs against a currency basket on Thursday, tracking a spike in Treasury yields on robust U.S. data and indications from the Federal Reserve that interest rates will continue to rise. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was at 95.57 by 03:43 AM ET (07:43 AM GMT) after hitting an overnight high of 95.78, the most since August 20. Data on Wednesday showed that U.S. service sector activity accelerated to a 21-year high in September and another report showed that private sector hiring increased at the fastest pace in seven months in September. Adding to the upbeat mood, Fed Chairman Jerome Powell said Wednesday that the U.S. central bank may raise interest rates above an estimated "neutral" setting as the U.S. economy continues to grow. "Interest rates are still accommodative, but we're gradually moving to a place where they'll be neutral," neither holding back nor spurring economic growth, Powell said. "We may go past neutral. But we're a long way from neutral at this point, probably," he added. The yield on 10-year Treasury notes rose to seven year highs overnight as the strong economic data and hawkish comments bolstered expectations for the Fed to raise interest rates again in December and beyond.
- EUR/USD/JPY-** The euro was trading at one-and-a-half month lows against the dollar, with EUR/USD at 1.1477 after falling 0.61% on Wednesday. The euro had initially risen Wednesday, as reports that Italy plans to cut its budget deficit after next year eased concerns over the prospect of a wider deficit that had rattled markets, before reversing those gains. The dollar slid lower against the yen, with USD/JPY down 0.26% to 114.23 after hitting an eleven-month high of 114.53 on Wednesday. The pound moved higher against the dollar, with GBP/USD adding on 0.21% to trade at 1.2968 after falling to a three-and-a-half week low of 1.2921 overnight.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	73.77	+0.26	73.46	73.62	73.82	73.98	74.19
EUR-INR	85.03	-0.16	84.51	84.77	85.01	85.27	85.51
GBP-INR	95.91	+0.33	95.01	95.46	95.80	96.25	96.59
JPY-INR	64.63	-0.17	64.37	64.50	64.68	64.81	65.00

**CURRENCY IN FOCUS**

**GBP-INR (Oct.)**



**Technical Strategy: GBP-INR Oct Sell below 95.80 with SL above 96.00 TP-95.50/95.30.**

**Major Economic Data and Events Schedule For 05-10-2018**

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
6:00pm	-	Average Hourly Earnings m/m	0.3%	0.4%	High
-	-	Non-Farm payroll	185K	201K	-
-	-	Jobless Rate	3.8%	3.9%	-

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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