

Wednesday, 06 March 2019

DOMESTIC MARKET ACTIVITY AS ON 05-03-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2302794	+4.67	19304.37	+34.70	2722478	+35.14
EURINR	63768	+2.64	731.70	+97.89	90852	+99.18
GBPINR	69365	-14.00	1542.66	+82.56	164923	+84.18
JPYINR	38921	-0.09	200.41	-5.80	31555	-5.41

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar held within sight of a two-week high against its major peers in early European hours on Tuesday, as China cut its 2019 economic growth target, dimming the outlook for global growth. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was at 96.68 by 3:50AM ET (08:50 GMT), after going as high as 96.74 the previous day, its best level since Feb. 19. The dollar rose 0.2% to 111.93 against the yen, near a 10-week high of 112.08 on Friday. China said on Tuesday it was targeting economic growth of 6.0% to 6.5% in 2019, down from the 6.6% growth reported last year, which was already the lowest in decades. "The environment facing China's development this year is more complicated and more severe," Premier Li Keqiang said at the opening of the annual meeting of China's parliament. "There will be more risks and challenges that are either predictable or unpredictable and we must be fully prepared for a tough battle."
- EUR/USD -** The selling mood around the shared currency remains well and sound in the first half of the week and is now prompting EUR/USD to fade the earlier recovery and refocus on the 1.1320 area. Spot remains unable to attempt a serious rebound so far today amidst the continuation of the buying interest around the buck, which has pushed DXY to new multi-day highs. EUR stayed mostly unchanged after Services PMIs in Euro land came in above estimates during February and despite Retail Sales expanded more than expected during the first month of the year. Later in the session, the key ISM Non-manufacturing will be in centre stage along with the release of New Home Sales and the IBD/TIPP index. In line with the broader risk-associated complex, the shared currency continues to look to developments from the US-China trade negotiations for near term direction. Looking at the broader picture, the ECB is expected to remain in 'pause mode' for the foreseeable future amidst the ongoing slowdown in the region, while investors have practically priced out any up move in rates this year.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.69	-0.66	70.26	70.47	70.83	71.05	71.41
EUR-INR	80.24	-1.13	79.70	79.97	80.43	80.69	81.15
GBP-INR	93.12	-1.34	92.38	92.75	93.40	93.77	94.42
JPY-INR	63.27	-0.80	62.86	63.07	63.42	63.62	63.97

CURRENCY IN FOCUS

USD-INR (Mar)



Technical Strategy: Sell USD-INR Mar at 70.80 -70.85 with SL above 71.05 TP-70.55/70.40.

Major Economic Data and Events Schedule For 06-03-2019

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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