

Thursday, 06 June 2019

DOMESTIC MARKET ACTIVITY AS ON 04-06-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	1948983	+1.17	13424.55	-17.72	1934480	-17.51
EURINR	54226	-8.53	702.96	+29.43	89800	+28.84
GBPINR	55624	-13.91	1073.04	+25.74	121795	+25.72
JPYINR	61014	+6.01	249.96	-17.23	38823	-17.21

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar was hovering near seven-week lows against a currency basket on Wednesday amid growing expectations for a Federal Reserve rate cut in the face of increasing headwinds to the economy caused by trade conflicts. Fed Chairman Jerome Powell on Tuesday pledged that the central bank will “act as appropriate” to protect the economy from the disruption caused by trade wars, dropping his standard reference to being "patient" in approaching any interest rate decision. The dollar index against a basket of six peers was little changed at 97.000 by 03:53 AM ET (07:53 GMT), within reach of an overnight low of 96.887, its weakest since April 18. The index has now fallen 1.3% from a more than two-year high of 98.371 touched on May 23. Masafumi Yamamoto, chief currency strategist at Mizuho Securities, said major currencies barely reacted to Powell's comments as investors had already priced in several rate cuts by the Fed on the back of the shifting global growth outlook.
- EUR/USD** - EUR/USD has posted winning sessions for three successive days, and the upward trend has continued on Wednesday. Currently, the pair is trading at 1.1284, up 0.26% on the day. On the release front, German and euro zone services PMIs beat expectations, with scores of 55.4 and 52.9, respectively. Euro zone retail sales dropped 0.4%, its first decline in four months. In the U.S., ADP nonfarm payrolls are expected to drop to 185 thousand in May, after a sparkling gain of 275 thousand in April. ISM Non-Manufacturing PMI is projected to show strong expansion, with an estimate of 55.6. On Thursday, the ECB is expected to maintain its key interest rate at a flat 0.00%. In the U.S., the key event is unemployment claims. There were no surprises from the PMIs readings in May. The services sector continues to show expansion in both Germany and the euro zone. The German release slowed to 55.4, down from the reading of 55.7 in April. It was a different story for manufacturing, as manufacturing PMIs pointed to contraction in Germany and the euro zone. Both indicators have been mired in contraction territory for most of 2019.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.42	+0.04	69.07	69.25	69.37	69.55	69.67
EUR-INR	78.32	+0.66	77.82	78.07	78.25	78.50	78.69
GBP-INR	88.21	+0.40	87.51	87.86	88.07	88.42	88.64
JPY-INR	64.38	+0.34	64.00	64.19	64.33	64.52	64.66

CURRENCY IN FOCUS

GBP-INR (June)



Technical Strategy: Buy GBP -INR June AT 88.05 – 88.02 with SL below 87.85 TP-88.30/88.50.

Major Economic Data and Events Schedule For 04-06-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
1:55pm	JPY	BOJ Gov Kuroda Speaks	-	-	High
2:30pm	GBP	BOE Gov Carney Speaks	-	-	
5:15pm	EUR	Monetary Policy Statemen	-	-	

Impact - **High**MediumLow

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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