

Thursday, 06 August 2018

**DOMESTIC MARKET ACTIVITY AS ON 05-09-2018**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	3964242	+2.43	24742.30	-6.03	3436586	-6.61
EURINR	161159	-1.81	904.29	+16.78	108374.00	+16.14
GBPINR	64216	-1.79	726.00	+42.30	78592	+41.64
JPYINR	64258	-3.22	306.43	+35.00	47469	+34.57

**CURRENCY UPDATES**

- DOLLAR INDEX-** The dollar was trading near one-and-a-half week highs against a currency basket on Wednesday, as safe haven demand continued to be underpinned persistent concerns over trade tensions and emerging market stresses. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was up 0.17% to 95.59 by 04:01 AM ET (08:01 GMT), not far from Tuesday's one-and-a-half week highs of 95.68. Demand for the dollar was bolstered by the risk-off mood in markets amid fears over the impact on global growth from the Trump administration's protectionist trade policies and strains in emerging markets. U.S. President Donald Trump could slap tariffs on an additional \$200 billion worth of imports from China as soon as Thursday, which would ratchet up the trade row with Beijing. Data overnight showed that business activity in China slowed in August, indicating that the trade dispute with the U.S. is hitting demand. Trade talks between the U.S. and Canada were due to resume later Wednesday, with Trump threatening to leave Canada out of a new deal already negotiated with Mexico.
- EUR/GBP/USD/JPY-** The dollar was almost unchanged against the yen, with USD/JPY last at 111.49. The euro was lower against the firmer dollar, with EUR/USD down 0.2% to 1.1557. The pound was also pressured lower, with GBP/USD sliding 0.3% to 1.2816 as worries over the prospect of a no-deal Brexit continued to weigh. In emerging markets, Turkey's lira was pressured lower amid lingering concerns over the country's economic and currency crisis. Deteriorating relations between the U.S. and Ankara and worries about Erdogan's increasing control over monetary policy and the economy have seen the lira tumble more than 40% this year. Argentina's peso also fell, re-approaching record lows against the dollar as the country's government scrambled to deal with a fresh economic crisis. Emerging market currencies have been hard hit by concerns that higher U.S. interest rates will pressure countries that have borrowed heavily in dollars in recent years.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	71.92	0.30	71.28	71.60	71.88	72.20	72.48
EUR-INR	83.41	0.50	82.89	83.15	83.35	83.61	83.81
GBP-INR	92.25	0.26	91.75	92.00	92.31	92.56	92.88
JPY-INR	64.49	0.07	63.91	64.20	64.50	64.79	65.10

CURRENCY IN FOCUS

JPY-INR (Sep.)



**Technical Strategy:** Sell JPY-INR Sep AT 64.60 with SL above 64.80 TP- 64.30/64.10.

Major Economic Data and Events Schedule For 06-09-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
5:45pm	USD	ADP Non-Farm Employment Change	195K	219K	Medium

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.

**Contact**

SMS: 'Arihant' to 56677

**Website**[www.arihantcapital.com](http://www.arihantcapital.com)**Email Id**[research@arihantcapital.com](mailto:research@arihantcapital.com)

Arihantis Forbes Asia's '200 Best under a \$Billion' Company  
'Best Emerging Commodities Broker' awarded by UTV Bloomberg

**Disclaimer:** This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

## Arihant Capital Markets Ltd

Commodity/Currency Research Desk: 6, Lad Colony, Y.N. Road Indore-3

T: 0731-4217191. Fax: 0731-4217103

Corporate Office: 1011, Solitaire Corporate Park, Building No.10, 1st Floor,

Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093

D. +91.22.42254800 and 67114800

[www.arihantcapital.com](http://www.arihantcapital.com)