

Thursday, 7 February 2019

DOMESTIC MARKET ACTIVITY AS ON 06-02-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2421183	-0.83	9420.61	-22.43	1311940	-22.31
EURINR	87385	+0.65	463.41	-2.04	56534	-1.65
GBPINR	59009	-3.68	874.76	+7.85	94007	+8.65
JPYINR	50173	+1.01	167.13	+9.77	25505	+9.72

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar rose to its highest in over a week against the euro in early trading in Europe Wednesday, after more soft data from Germany underlined the loss of momentum in the euro zone's traditional growth engine. Incoming orders to German factories fell by 1.6% in December, their second straight monthly drop and the biggest monthly fall since June. Economists had expected an increase of 0.3% on the month. The news is likely to result in a weak start to the year for German industrial production, which tends to follow the orders data with a lag of one or two months. At 03:00 AM ET (08:00 GMT), the euro was at \$1.1383, having earlier hit a two-week low of 1.1380.
- EUR/USD -** The British Pound has regained some shine on Wednesday and is now lifting GBP/USD to the 1.2960/70 band. After bottoming out in new 2-week lows near 1.2920 in early trade, Cable has managed to regain some buying interest and move to the upper end of the daily range. The strange absence of relevant headlines in the Brexit negotiations as of late appears to have weighed on the sentiment around the Sterling in past sessions, sponsoring the moderate sell-off from last week's YTD tops beyond 1.3200 the figure. However, GBP has managed to return to the fore today amidst speculations surrounding today's PM May's visit to Northern Ireland to meet with DUP leader A. Foster. It is worth recalling that May has recently reiterated she will not remove the Irish backstop from her deal, although she could suggest some changes to it. Moving forward, the BoE will hold its monetary policy meeting tomorrow along with the publication of the Inflation Report.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	71.73	-0.02	71.54	71.63	71.74	71.83	71.94
EUR-INR	81.85	-0.26	81.66	81.75	81.88	81.97	82.10
GBP-INR	93.03	-0.40	92.65	92.84	93.03	93.22	93.41
JPY-INR	65.48	+0.20	65.21	65.34	65.49	65.62	65.77

CURRENCY IN FOCUS

USD-INR (Feb)



Technical Strategy: Sell USD - INR Feb. below 71.71 with SL above 71.91 TP-71.40/71.20.

Major Economic Data and Events Schedule For 07-02-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
5:30pm	GBP	BOE Inflation Report	-	-	High
-	-	MPC Official Bank Rate Votes	0-0-9	0-0-9	Low
-	-	Monetary Policy Summary	-	-	High

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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