

Tuesday, 07 May 2019

**DOMESTIC MARKET ACTIVITY AS ON 06-05-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2650015	-1.15	11009.93	+0.87	1581403	+1.11
EURINR	56975	-2.76	580.78	+4.95	74352	+5.31
GBPINR	38574	+26.16	1504.7	+1.33	164700	+1.13
JPYINR	23224	-0.42	262.21	+89.99	41628	+89.06

**CURRENCY UPDATES**

- DOLLAR INDEX-** The dollar was mixed in early trading in Europe on Monday, trading lower against haven currencies and higher against proxies for risk appetite in the wake of President Donald Trump's threats to impose fresh tariffs on Chinese imports. The euro had fallen just under half a cent late on Sunday after Trump threatened to raise existing tariffs on \$200 billion of Chinese imports from 10% to 25%, and to levy new tariffs of 25% on a further \$325 billion so far unaffected by the U.S.-China trade dispute. However, as of 3:00 AM ET (0700 GMT), the euro had recouped most of its initial losses to trade at \$1.1193. Trade is set to be relatively quiet Monday due to the public holiday in the U.K. The main data event of the day will be service PMIs from across the region. "The Trade Deal with China continues, but too slowly, as they attempt to renegotiate. No!" Trump said via Twitter.
- GBP/USD -** GBP/USD has started the week with considerable losses, after posting sharp gains on Friday. Currently, GBP/USD is trading at 1.3106, down 0.52% on the day. British banks are close for the May Day holiday and there are no British events. On Tuesday, Germany releases factory orders and the EU posts its economic forecasts of member states. The pound ended the week on a high note, soaring 1.1 percent. Investors reacted positively to the comments from BoE Mark Carney on Thursday. The BoE maintained interest rates, but BoE Governor Mark Carney had a hawkish message for the markets. Carney said that there could be a number of rate hikes from the bank, if Brexit is resolved and growth and inflation point higher. The markets have priced in just one rate hike until 2021, so Carney's comments mark a vote of confidence in the British economy from the BoE. There was more positive news on Friday, as services PMI improved to 50.4 in April, up from 48.9 a month earlier. In the U.S., the week ended with mixed employment numbers. Wage growth edged up to 0.2%, shy of the estimate of 0.3%. However, nonfarm payrolls sparkled, climbing to 263 thousand, up from 196 thousand a month earlier.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.61	+0.22	69.44	69.53	69.61	69.69	69.77
EUR-INR	78.14	+0.63	77.84	77.99	78.07	78.23	78.31
GBP-INR	91.28	+0.91	90.30	90.79	91.14	91.64	91.99
JPY-INR	62.93	+0.80	62.27	62.60	62.86	63.19	63.44

**CURRENCY IN FOCUS**

**USD-INR (May)**



**Technical Strategy:** Sell USD-INR May AT 69.55 – 69.60 with SL above 69.75 TP-69.35/69.15.

**Major Economic Data and Events Schedule For 07-05-2019**

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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