

Friday, 07 June 2019

DOMESTIC MARKET ACTIVITY AS ON 06-06-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	1949793	+0.04	12118.20	-9.73	1744128	-9.84
EURINR	57144	+5.38	503.57	-28.36	64406	-28.28
GBPINR	54636	-1.78	746.77	-30.41	84614	-30.53
JPYINR	59278	-2.85	169.29	-32.27	26334	-32.17

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar slid lower against the yen on Thursday as safe haven demand continued to be underpinned amid trade tensions, as investors looked ahead to the European Central Bank's latest policy decision later in the day. The dollar was down 0.2% against the yen at 108.21, handing back a bulk of the gains made overnight. Mexican officials met with their U.S. counterparts for negotiations in Washington on Wednesday aimed at averting U.S. tariffs on Mexican goods next week, although there were no immediate signs of a breakthrough. In a move that could deepen Washington's trade conflict with its partners, U.S. President Donald Trump unexpectedly told Mexico last week to take a harder line on curbing illegal immigration or face 5% tariffs on all its exports to the U.S. "The dollar had risen against the yen earlier on speculation that the U.S.-Mexico negotiations would produce positive results, but headed back down on headlines saying an agreement had not been reached," said Shinichiro Kadota, senior strategist at Barclay's in Tokyo. "The focal point today will be on the ECB and how dovish President Draghi could be."
- EUR/USD-** EUR/USD has ticked higher in the Thursday session. Currently, the pair is trading at 1.1237, up 0.14% on the day. On the release front, German Factory Orders slowed to 0.3%, above the estimate of 0.1%. Euro zone GDP improved to 0.4%, matching the estimate. Later in the day, the ECB releases its key interest rate, which is expected to remain at a flat 0.00%. In the U.S., the key event is unemployment claims, which is projected to remain steady at 215 thousand. All eyes are on the ECB, which holds its policy meeting on Thursday. With policymakers expected to hold rates at 0.00%, investors will be focused on the policy statement, and follow-up comments from Mario Draghi. Traders should be prepared for a dovish stance at Draghi's post-meeting press conference. The ECB will also provide new outlooks for inflation and growth. In March, the ECB forecast GDP at 1.1% and inflation at 1.2% in 2019. Will the bank revise the upcoming forecast upwards? If so, investors could respond with a thumbs-up and drive the euro higher..

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.41	-0.01	69.18	69.30	69.44	69.56	69.71
EUR-INR	78.10	-0.28	77.86	77.98	78.14	78.26	78.42
GBP-INR	88.22	+0.01	87.86	88.04	88.22	88.40	88.58
JPY-INR	64.21	-0.27	63.98	64.09	64.24	64.35	64.50

CURRENCY IN FOCUS

JPY-INR (June)



Technical Strategy: Sell JPY -INR June AT 64.20 64.22 with SL above 64.40 TP-63.95/63.75.

Major Economic Data and Events Schedule For 07-06-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
6:00pm	USD	Non-Farm Payroll	-	-	High
-	-	Jobless Rate	-	-	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.

Contact

SMS: 'Arihant' to 56677

Websitewww.arihantcapital.com**Email Id**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