

Tuesday, 8 January 2019

## DOMESTIC MARKET ACTIVITY AS ON 07-01-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2351773	+11.49	23586.52	+42.82	3379217	+43.32
EURINR	61312	-2.01	690.31	+25.37	86289	+25.37
GBPINR	31229	+13.17	773.97	+35.55	86908	+35.06
JPYINR	46328	-0.07	413.11	+43.03	63947	+43.60

## CURRENCY UPDATES

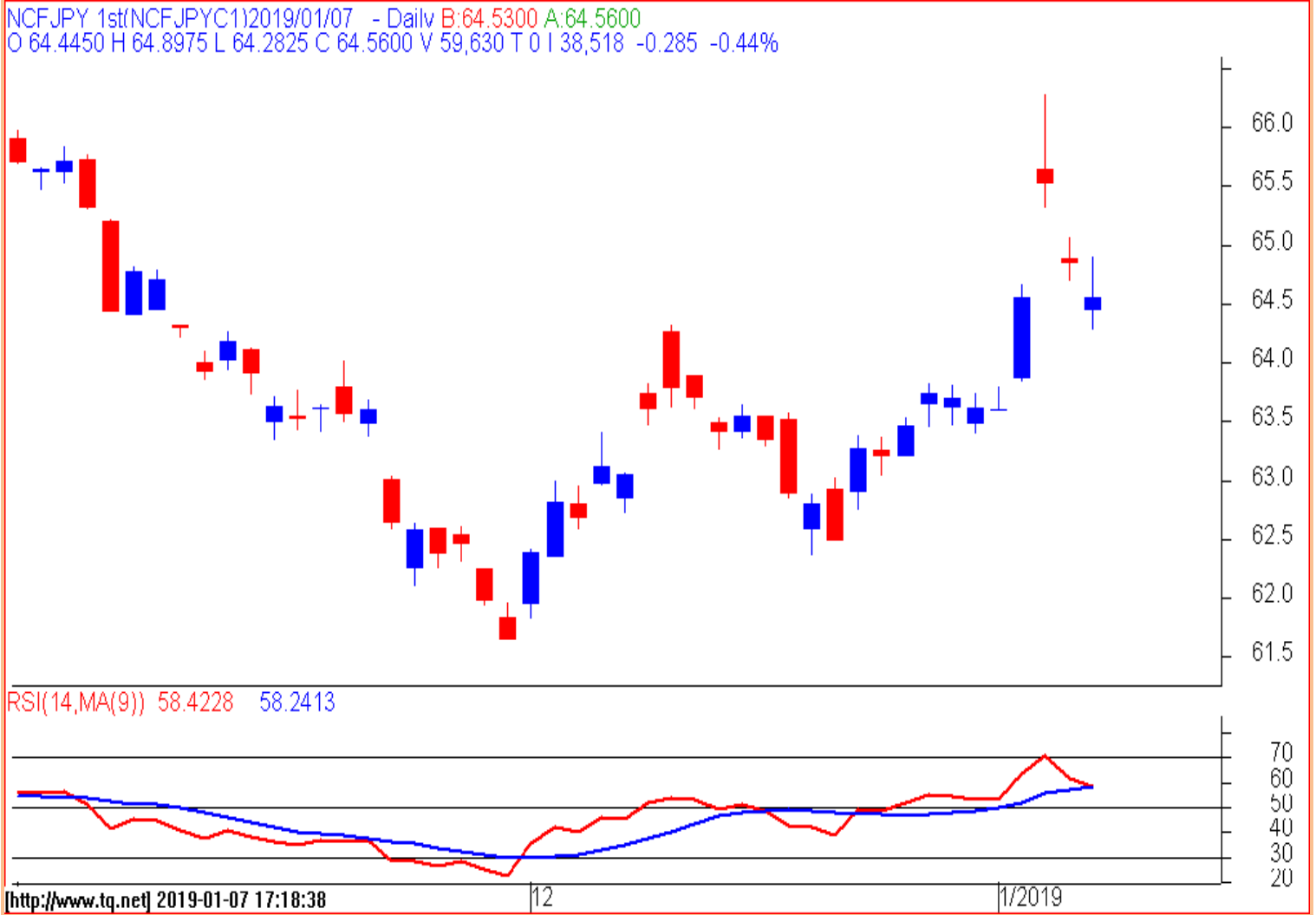
- DOLLAR INDEX-** The U.S. dollar lost ground against the other major currencies on Monday as comments from the Federal Reserve eased concerns over its policy tightening and the start of a fresh round of U.S.-China trade talks boosted risk appetite. Two days of trade talks kicked off in Beijing on Monday following the announcement Friday of new stimulus measures by the Chinese government, aimed at addressing a sharp economic slowdown. Investors hope that Washington and Beijing can strike a comprehensive trade deal before the end of a 90 day truce in the trade war. The two sides have until March 1 to make a deal, after which U.S. President Donald Trump has pledged to ramp up tariffs to 25%, from 10%, on \$200 billion worth of Chinese imports. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was down 0.29% to 95.47 by 03:19 AM ET (08:19 AM GMT). The dollar was pressured lower after Fed Chairman Jerome Powell suggested that the central bank would be patient on monetary policy this year. On Friday, Powell said the Fed is not on a preset path of interest rate hikes and that it will be sensitive to the downside risks markets are pricing in. Despite Friday's stronger than expected U.S. December jobs data, many analysts believe the world's largest economy is losing momentum and further rate hikes are the last thing it needs. Powell's comments that the central bank is "prepared to shift the stance of policy" boosted investor sentiment and sent U.S. stocks soaring on Friday. The dollar outperformed other currencies in 2018 due to the Fed being the only major central bank to hike rates. If the Fed holds rates in 2019, analysts see slim chances of further greenback appreciation.
- EUR/USD -** While The Euro is trading higher against the U.S. Dollar Monday. Helping to pressure the U.S. Dollar are Friday's dovish comments from U.S. Federal Reserve Chairman Jerome Powell. The Fed Chief said the central bank will be more accommodative by exercising patience in raising rates, diminishing fears of a hawkish Fed in 2019. Powell's comments also relieved fears that the Fed may be making a policy error by tightening too fast.

## TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.82	-0.11	69.06	69.44	69.76	70.14	70.47
EUR-INR	80.03	+0.11	79.07	79.55	79.95	80.43	80.83
GBP-INR	89.00	+0.34	88.14	88.57	88.99	89.42	89.84
JPY-INR	64.55	-0.44	63.96	64.26	64.58	64.87	65.19

**CURRENCY IN FOCUS**

**JPY-INR (Jan)**



**Technical Strategy: JPY-INR Jan. Sell below 65.55 with SL above 65.75 TP-65.30/65.10.**

**Major Economic Data and Events Schedule For 08-01-2019**

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.

**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)