

Friday, 8 February 2019

DOMESTIC MARKET ACTIVITY AS ON 07-02-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2377272	-1.81	17691.62	+87.80	2468404	+88.15
EURINR	81133	-7.15	703.36	+51.78	86303	+52.66
GBPINR	52668	-10.75	1158.81	+32.47	125064	+33.04
JPYINR	49578	-1.19	296.7	+77.53	45451	+78.20

CURRENCY UPDATES

- DOLLAR INDEX**- Measured by the US Dollar Index (DXY), the greenback keeps the rally well and sound for yet another session and is now navigating fresh 2-week peaks in the 96.45/50 band. It is the sixth consecutive session with gains for the index so far, always bolstered by the sour tone in the risk-associated space. In fact, concerns over the potential slowdown in the euro area, the recent shift to a more neutral stance from the RBA and persistent uncertainty over Brexit negotiations have been weighing on EUR, GBP and AUD, respectively, all rendering in extra oxygen for the buck's rally. The positive momentum in DXY has been also propped up by auspicious results from US fundamentals, particularly following the FOMC meeting. Today's US calendar will see the usual weekly report on the US labour market along with the speech by permanent voter and mega-dove Fed VP R.Clarida. Negative developments overseas vs. decent data releases in the US docket have been sustaining the constructive sentiment in the buck for the past sessions and have somewhat relegated concerns over a more 'flexible' Fed to the backseat for the time being. In the very near term, investors are looking to the next Trump-Xi Jinping meeting later in the month following some progress in recent trade talks and positive comments from the Trump administration.
- EUR/USD** - Another bout of selling pressure is now pushing EUR/USD to visit the 1.1330 area, where sits the critical 200-week SMA. There seems to be no respite for the shared currency this week, now forcing spot to drop further and test fresh multi-day lows in the 1.1330 area. The march north in the greenback, in the meantime, stays well and sound for the sixth session in a row so far today, always on the back of the persistent deterioration in the sentiment surrounding the risk-associated complex. Earlier in the session, German Industrial Production contracted 0.4% MoM during the last month of 2018, showing some improvement from November's 1.3% contraction. Across the pond, Fed's mega-dovish VP R. Clarida is due to speak, whereas weekly Initial Claims and Consumer Credit figures will be published in the calendar.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	71.56	-0.23	71.13	71.35	71.64	71.85	72.14
EUR-INR	81.26	-0.72	80.72	80.99	81.41	81.68	82.10
GBP-INR	92.43	-0.65	91.73	92.08	92.58	92.93	93.44
JPY-INR	65.23	-0.39	64.83	65.03	65.28	65.48	65.74

CURRENCY IN FOCUS

USD-INR (Feb)



Technical Strategy: Sell USD - INR Feb. AT 71.64 with SL above 71.79 TP-71.44/71.29.

Major Economic Data and Events Schedule For 08-02-2019

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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