

Wednesday, 9 January 2019

DOMESTIC MARKET ACTIVITY AS ON 08-01-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2323727	-1.19	16941.11	-28.17	2411957	-28.62
EURINR	68930	+12.42	741.64	7.44	92074	+6.70
GBPINR	34771	+11.34	739.67	-4.43	82434	-5.15
JPYINR	47220	+1.93	301.59	-27.00	46653	-27.04

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar recovered some of its prior losses on Tuesday as U.S. and China wrap up a two-day trade meeting. Officials from the two countries are wrapping up talks in Beijing, with traders waiting for any news that the two have made progress on reaching an agreement. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, rose 0.13% to 95.35 as of 4:40 AM ET (9:40 GMT). The dollar was higher against the yen, with USD/JPY rising 0.13% to 108.84. The dollar had dipped Friday after Federal Reserve Chairman Jerome Powell said the Fed would act "quickly" if market concerns outweigh the strong economic data. His comments helped convince investors that the Fed will not raise interest rates this year as global growth slows down. "The Fed is listening to the market and has acknowledged flashing market signs," said Sim Moh Siong, currency strategist at Bank of Singapore. "U.S. inflation has been well behaved so far and so the Fed does have room to pause on its rate hike cycle," he added. U.S. President Donald Trump is also expected to give an address to the nation on Tuesday night over the border wall and the government budget impasse.
- USD/JPY -** The upside momentum in yields of the US 10-year note helped USD/JPY to clinch fresh 4-day highs in levels just above 109.00 the figure during early trade. The pair keeps the upside bias intact so far today, regaining the 109.00 handle and above and recording at the same time fresh multi-day peaks, always backed on the positive performance of US yields. In addition, speculations of a positive outcome from the US-China trade talks appear to support some bias towards the risk-on trade, favouring the selling mood in the Japanese safe haven. Reinforcing this scenario, today's VIX (aka 'the panic index') is navigating fresh lows in the area near 20.70, levels last visited in mid-December. In the calendar so far, the US NFIB Small Business Optimism index came in at 104.4 for the month of December.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.36	0.77	69.74	70.05	70.22	70.53	70.70
EUR-INR	80.66	0.79	80.03	80.34	80.52	80.83	81.01
GBP-INR	89.81	0.90	89.12	89.46	89.71	90.05	90.30
JPY-INR	64.80	0.39	64.18	64.49	64.67	64.98	65.15

CURRENCY IN FOCUS

EUR-INR (Jan)



Technical Strategy: EUR-INR Jan. Buy AT 80.55 with SL below 80.35 TP-80.80/81.00

Major Economic Data and Events Schedule For 09-01-2019

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.

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