

Thursday, 09 May 2019

**DOMESTIC MARKET ACTIVITY AS ON 08-05-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2605944	-0.32	11323.54	+30.99	1622225	+30.61
EURINR	57726	-1.11	587.94	+54.56	75031	+54.15
GBPINR	33467	-9.35	1098.54	+27.88	120575	+28.08
JPYINR	34976	+34.65	392.33	+127.24	61769	+125.42

**CURRENCY UPDATES**

- DOLLAR INDEX-** The dollar was marginally lower in early trading in Europe on Wednesday after concerns about the escalating trade war between the U.S. and China caused another day of sharp losses in global stock markets. The risk-off sentiment has been reinforced by Iran's announcement that it will stop implementing "some commitments" under the UN-approved 2015 nuclear deal, another challenge to U.S. power that comes only three days after North Korea conducted a series of tests of what may have been ballistic missiles. President Hassan Rouhani warned that the Islamic Republic would resume high-level uranium enrichment if the other signatories to the deal - including Russia, China, France and Germany, didn't act to protect its economy from U.S. sanctions within 60 days. At 03:00 AM ET (0700 GMT), the dollar index, which measures the greenback against a basket of six major currencies, was at 97.18, down around 0.2% from late Tuesday in Europe.
- GBP/USD** - It has been an uneventful week for EUR/USD. Currently, the pair is trading at 1.1201, up 0.08% on the day. On the release front, German industrial production came in at 0.5%, much stronger than the estimate of -0.5%. Later in the day, the ECB releases the minutes of its April policy meeting. For a third straight day, there are no major events in the U.S. On Thursday, the U.S. releases producer price index reports and unemployment claims. The European Commission has lowered its 2019 growth forecasts for Germany and the euro zone, compared to the forecast back in February. The euro zone downgrade was minor, from 1.5% to 1.4%. However, the forecast for Germany was slashed from 1.1% to 0.5%. The EU noted that the downside risks to the euro zone remain "prominent", and noted that deadlines for the U.S-China trade talks and Brexit had come and passed, leaving significant uncertainty about the economic outlook. The report warned that "an escalation of trade tensions could prove to be a major shock." The weak German forecast and pessimistic tone of the report could dampen investor appetite for the euro, although the currency has held steady on Tuesday.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.89	0.29	69.53	69.71	69.82	70.00	70.10
EUR-INR	78.45	0.40	78.11	78.28	78.38	78.55	78.65
GBP-INR	91.04	-0.16	90.62	90.83	91.10	91.31	91.57
JPY-INR	63.60	0.88	63.17	63.38	63.52	63.73	63.87

**CURRENCY IN FOCUS**

**JPY-INR (May)**



**Technical Strategy: Buy JPY-INR May above 63.60 with SL below 63.40 TP-63.85/64.05.**

**Major Economic Data and Events Schedule For 09-05-2019**

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
5:04pm	EUR	ECB President Draghi Speaks	-	-	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

**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)