ArihantCapital
Generating Wealth

DAILY CURRENCY UPDATE

Tuesday, 09 October 2018

DOMESTIC MARKET ACTIVITY AS ON 08-10-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	4668731	+1.26	15628.21	-56.40	2105681	-56.48
EURINR	116745	+1.54	505.76	-46.56	59194	-46.65
GBPINR	58940	-3.22	587.63	-44.33	60522	-44.67
JPYINR	42012	+24.42	278.9	+0.52	42503	-0.27

CURRENCY UPDATES

- **DOLLAR INDEX-** The dollar climbed on Monday, building on last week's gains as weakness in global markets, led by Chinese equities, and recent strong U.S. data boosted demand for the greenback. Against a basket of its rivals (=USD) the greenback rose 0.2 percent to 95.85, edging toward a 14-month high of 96.991 hit in mid-August. "The dollar has been supported by some strong data but with the market already long dollars at these levels, new data has to surprise investors by a bigger margin to push it higher. The dollar climbed half a percent last week, marking its second consecutive week of gains as hedge funds ramped up their dollar holdings by $3.4 billion to $28.7 billion last week, the largest since end-December 2016, according to latest data.

- **EUR/USD-** The euro extended early losses against the dollar on Monday, as a row between Italy’s populist government and the European Commission over Italy’s budget plans soured market sentiment. EUR/USD was down 0.36% to 1.1480 by 05:18 AM ET (09:18 AM GMT), falling back towards last week’s one-and-a-half month lows of 1.1463. The euro extended losses after Italy's Deputy Prime Minister Matteo Salvini said that European Commission President Jean-Claude Juncker and Economic Affairs Commissioner Pierre Moscovici are the real enemies of Europe. Brussels and Rome have been at odds over the country's budget deficit plans for the next three years, which breach EC rules on running excessive deficits and high debt. But Italy insisted on Saturday it would "not retreat" from its spending plans. The row has seen Italian borrowing costs rise and raised fears that it could trigger another round of the country’s debt crisis. Sentiment on the single currency was also hit by some disappointing euro zone economic data. Investor morale in the euro area fell more than expected in October, according to a survey released on Monday. Another report showed that German industrial output unexpectedly declined in August, for a third consecutive month.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	74.28	+0.46	73.82	74.05	74.18	74.41	74.53
EUR-INR	85.33	+0.10	85.11	85.22	85.37	85.48	85.63
GBP-INR	96.84	+0.31	96.28	96.56	97.09	97.37	97.89
JPY-INR	65.59	+0.86	64.68	65.13	65.51	65.96	66.34

Update Report

CURRENCY IN FOCUS

GBP-INR (Oct.)

Technical Strategy: GBP-INR Oct Sell AT 97.00 with SL above 97.20 TP-96.70/96.50.

Major Economic Data and Events Schedule For 09-10-2018					
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*.

Update Report

Contact	Website	Email Id
SMS: 'Arihant' to 56677	www.arihantcapital.com	research@arihantcapital.com

Arihantis Forbes Asia's '200 Best under a $Billion' Company
'Best Emerging Commodities Broker' awarded by UTV Bloomberg

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