

Friday, 09 November 2018

DOMESTIC MARKET ACTIVITY AS ON 07-11-2018

| Currency Pairs | Open Interest | % Chg | Total Trade Volume | % Chg | No of Contracts Traded | % Chg |
|----------------|---------------|-------|--------------------|--------|------------------------|--------|
| USDINR | 2615343 | +0.62 | 1947.48 | -75.77 | 267981 | -75.62 |
| EURINR | 91849 | +0.40 | 57.64 | -85.56 | 6897 | -85.55 |
| GBPINR | 50426 | +5.63 | 87.74 | -86.17 | 9175 | -86.18 |
| JPYINR | 31051 | -3.54 | 50.02 | -53.46 | 7780 | -53.17 |

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar moved higher against a currency basket on Thursday as investors turned their attention to a monetary policy announcement from the Federal Reserve later in the day, while the pound remained supported above the 1.30 level on Brexit optimism. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was up 0.18% to 95.98 by 04:01 AM ET (09:01 AM GMT). The dollar regained ground after sliding in the previous session as the prospect of gridlock in Washington in the wake of midterm elections looked likely to significantly curtail President Donald Trump's legislative agenda. The greenback has strengthened broadly this year, boosted by a robust domestic economy, rising interest rates and the effects of U.S. fiscal policy. The Fed was expected to leave interest rates on hold later Thursday, with the next rate hike expected in December, but its views on the U.S. economic outlook could move markets.
- GBP/USD-** The GBP/USD pair finally broke down of its Asian/early European session consolidation phase and broke below the 1.3100 handle in the last hour, erasing previous session's up-move to three-week tops. After an initial uptick to mid-1.3100s, the pair met with some fresh supply and snapped three consecutive days of winning streak amid a strong follow-through US Dollar buying interest. Investors looked past the US midterm election results and the greenback recovered further from 2-1/2 week lows, which was eventually seen as one of the key factors prompting fresh selling around the major. Meanwhile, market participants also seemed to have digested the latest Brexit optimism, with a report, via the Sun, saying that the UK PM May could ask for more time to cut a Brexit deal with Cabinet, exerting some additional downward pressure on the British Pound. Citing a government source, the UK Cabinet meeting on Brexit seems unlikely to take place ahead of next week and cast fresh doubt over the sticking point of Irish backstop.

TECHNICAL LEVELS

| Currency Pairs | Fut. Closed | % Chg | S2 | S1 | Pivot | R1 | R2 |
|----------------|-------------|-------|-------|-------|-------|-------|-------|
| USD-INR | 72.56 | -0.79 | 72.14 | 72.35 | 72.77 | 72.98 | 73.40 |
| EUR-INR | 83.59 | 0.14 | 83.38 | 83.48 | 83.55 | 83.65 | 83.72 |
| GBP-INR | 95.63 | 0.23 | 95.24 | 95.43 | 95.56 | 95.75 | 95.88 |
| JPY-INR | 64.29 | -0.63 | 64.16 | 64.23 | 64.27 | 64.34 | 64.38 |

CURRENCY IN FOCUS

USD-INR (Nov.)



Technical Strategy: USD-INR Nov. Sell AT 72.80 -72.85 with SL above 73.00 TP-72.55/72.40.

Major Economic Data and Events Schedule For 09-11-2018

| Time | Currency | Economic Indicators | Forecast | Previous | Possible Impact |
|--------|----------|------------------------------|----------|----------|-----------------|
| 3:00pm | GBP | GDP m/m | 0.1% | 0.0% | High |
| - | - | Manufacturing Production m/m | 0.1% | -0.2% | |
| - | - | Prelim GDP q/q | 0.6% | 0.4% | |

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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