

Friday, 10 May 2019

**DOMESTIC MARKET ACTIVITY AS ON 09-05-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2678294	+2.78	13679.05	+20.80	1950800	+20.25
EURINR	61482	+6.51	489.54	-16.74	62281	-16.99
GBPINR	32748	-2.15	1106.42	+0.72	121303	+0.60
JPYINR	40564	+15.98	385.42	-1.76	60324	-2.34

**CURRENCY UPDATES**

- DOLLAR INDEX-** the dollar benefited from an increase in trade worries, U.S. President Donald Trump's latest threat to raise tariffs on Chinese imports have prompted market strategists to focus on the corrosive impact on Washington. The prospects of an escalation in the conflict have seen the yen gain in recent days. The currency rose 0.3 percent against the dollar at 109.640 yen, a 3-month high, taking its gains to more than 1 percent so far this month. According to the latest Commodity Futures Trading Commission data, speculators have further raised their net long dollar bets, including those against the yen. Trump said on Wednesday that China "broke the deal" reached in talks with the United States, and vowed to not back down on imposing new tariffs unless Beijing "stops cheating our workers".
- GBP/USD -** Pound to US Dollar Exchange Rate Dragged by Brexit Jitters and Trade Fears While the Pound Sterling to US Dollar (GBP/USD) exchange rate surged on Brexit hopes last week, the pair has been gradually tumbling as those hopes unwind this week, and as global trade concerns bolster market demand for safe haven currencies like the US Dollar (USD). Last week's bullish movement saw GBP/USD open the week at the level of 1.2920 and surge over two cents, closing the week at the level of 1.3173. This was also very close to Monday morning's monthly high of 1.3176. Since then though, GBP/USD has shed over half of last week's gains and keeps slipping today, currently trending close to the level of 1.2990. As UK politicians turn their attention away from finding a solution to Brexit towards focusing on potentially contentious EU elections, the US benefits from market aversion to risk-taking and push the Pound to US Dollar exchange rate lower. There is still a chance that GBP/USD investors will be surprised by US inflation data before markets close for the week however.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.11	+0.31	69.69	69.90	70.05	70.26	70.40
EUR-INR	78.59	+0.18	78.32	78.45	78.57	78.70	78.82
GBP-INR	91.14	+0.10	90.84	90.99	91.17	91.32	91.51
JPY-INR	63.86	+0.40	63.49	63.67	63.86	64.05	64.24

**CURRENCY IN FOCUS**

**USD-INR (May)**



**Technical Strategy: Sell USD-INR May below 70.10 with SL above 70.25 TP-69.85/69.70.**

**Major Economic Data and Events Schedule For 10-05-2019**

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
2:00pm	GBP	GDP m/m	0.0%	0.2%	High
-	-	Manufacturing Production m/m	0.1%	0.9%	-
-	-	Prelim GDP q/q	0.5%	0.2%	-

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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