

Wednesday, 10 July 2019

**DOMESTIC MARKET ACTIVITY AS ON 09-07-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2138810	-3.19	13287.56	+22.51	1929631	+22.49
EURINR	78686	+0.06	504.85	+38.56	65296	+38.81
GBPINR	80500	+3.86	895.4	+17.02	104032	+17.43
JPYINR	44198	+2.10	204.36	+96.27	32228	+97.00

**CURRENCY UPDATES**

- DOLLAR INDEX-** The U.S. dollar was flat on Tuesday in Asia as expectations of aggressive interest rate cut reduced following a strong jobs report released late last week. The U.S. dollar index that tracks the greenback against a basket of other currencies was unchanged at 96.977 by 1:12 AM ET (05:12 GMT). As many as 10 U.S. central bankers, including Federal Reserve chairman Jerome Powell, are set to speak this week. The Fed's June meeting minutes are also due on Wednesday. Data released last Friday showed a sharp rebound in U.S. job growth in June and reduced expectations that the Fed will cut interest rates by 50 basis points when it meets at the end of July. "There is a risk the Fed will not be as dovish as people thought. Central banks ahead of the curve in this cycle are Australia and New Zealand. The Fed is following, but the European Central Bank and the Bank of England are laggards," said Masafumi Yamamoto, chief currency strategist at Mizuho Securities in Tokyo.
- EUR/USD-** Euro US Dollar Exchange Rate Flat as Little Change since US-China Deal Collapsed On Tuesday, the Euro US Dollar (EUR/USD) exchange rate remained flat. The pairing is currently trading at an inter-bank rate of \$1.1200. The United States and China are set to resume trade talks this week following May's breakdown in discussions. However, a year after trade tensions began there is little sign that the differences between the two sides have narrowed. Moreover, sources familiar with the talks said the G20 summit did little to clear the path for negotiators to resolve the current impasse. Commenting on the summit, Derek Scissors, a China expert at the American Enterprise Institute said both sides got what they wanted – a lowering of the temperature and an avoidance of further tariffs. An anonymous Chinese official stated that talks were set to continue very quickly. However there is a 'fairly large gap' in the core demands from each side. Added to this, tensions have increased as the source revealed that the 'negotiating environment is even more severe.'

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	68.68	-0.21	68.47	68.57	68.78	68.89	69.09
EUR-INR	77.10	-0.35	76.79	76.94	77.23	77.39	77.68
GBP-INR	85.67	-0.76	85.17	85.42	85.92	86.17	86.68
JPY-INR	63.24	-0.45	62.92	63.08	63.32	63.48	63.72

**CURRENCY IN FOCUS**

**USD-INR (July)**



**Technical Strategy: Sell USD-INR July AT 68.75-68.78 with SL above 68.95 TP-68.45/68.25.**

**Major Economic Data and Events Schedule For 10-07-2019**

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
2:00pm	GBP	GDP m/m	0.3%	-0.4%	High
		Manufacturing Production m/m	2.2%	-3.9%	

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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