

Wednesday, 10 October 2018

DOMESTIC MARKET ACTIVITY AS ON 09-10-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	4797230	+2.75	19339.46	+23.75	2598586	+23.41
EURINR	120779	+3.46	696.20	+37.65	81391	+37.50
GBPINR	58708	-0.39	615.38	+4.72	63230	+4.47
JPYINR	41801	-0.50	199.8	-28.36	30329	-28.64

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar edged higher against a currency basket on Tuesday and the safe haven yen remained steady in cautious trade as rising U.S. bond yields and concerns over the outlook for global growth weighed on risk appetite. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was up 0.17% to 95.60 by 03:57 AM ET (07:57 AM GMT), not far from a six-week high of 95.78 reached last week. Demand for the dollar was underpinned as the move higher in U.S. Treasury yields continued, albeit at a slower pace than last week, sending the yield on 10-year Treasury notes to a fresh seven-year peak. The sell-off in Treasuries has been spurred by expectations for a potentially faster pace of rate hikes from the Federal Reserve. Rising bond yields have hit demand for stocks in recent sessions, souring risk appetite.
- EUR/USD-** The euro extended early losses on Tuesday, falling to fresh seven-week lows as concerns over Italy's fiscal outlook and a broadly stronger dollar weighed. EUR/USD was down 0.41% to 1.1444 by 07:16 AM ET (11:16 AM GMT), the weakest level since August 20. The single currency was pressured lower amid an ongoing row between Italy's populist government and the European Commission over the country's budget plans. 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. The row has seen Italian bond yields rise amid fears that the decision to increase borrowing will prove unsustainable given the country's debt load. But the leaders of Italy's two ruling parties have insisted they will not backtrack on their spending plans for next year. Sentiment on the euro was also hit after data showing that German exports fell unexpectedly in August, adding to concerns over a loss of momentum in the euro area's largest economy. Meanwhile, the International Monetary Fund cut its global growth forecast on Tuesday, warning that trade conflicts are starting to have a serious impact on the global economy.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	74.58	0.41	73.90	74.24	74.42	74.76	74.93
EUR-INR	85.42	0.11	85.09	85.26	85.42	85.58	85.74
GBP-INR	97.32	0.49	96.67	96.99	97.23	97.56	97.80
JPY-INR	65.91	0.49	65.35	65.63	65.83	66.11	66.31

CURRENCY IN FOCUS

EUR-INR (Oct.)



Technical Strategy: EUR-INR Oct Buy above 85.45 with SL below 85.25 TP-85.75/85.95.

Major Economic Data and Events Schedule For 10-10-2018

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.

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