

Friday, 11 January 2019

**DOMESTIC MARKET ACTIVITY AS ON 10-01-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2057336	-8.71	18371.30	-4.51	2600221	-4.59
EURINR	81526	+6.47	649.84	-8.87	79546	-9.67
GBPINR	35317	+1.78	581.79	-29.32	64450	-29.50
JPYINR	49345	+3.03	252.78	-17.47	38610	-18.15

**CURRENCY UPDATES**

- DOLLAR INDEX-** The greenback was slightly higher on Thursday after dovish minutes from the Federal Reserve in the previous session caused a steep decline in the dollar. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, rose 0.15% to 94.94 as of 5:00 AM ET (10:00 GMT). Minutes from the Fed's December meeting showed that many policymakers are in favour of rates staying steady this year, increasing expectations that there will be no hikes in 2019. The dovish tone drove the dollar down to an almost three-month low of 94.63. "Basically the dollar has run out of things to make it go higher," said Erik Nelson, currency strategist at Wells Fargo. "The Fed has told us that they're probably at or near a point where they're going to pause interest rate hikes and we forecast the boost we saw to U.S. growth last year is definitely going to fade," he added. Meanwhile, investors are also looking ahead to comments from Fed Chairman Jerome Powell, who is speaking at 12:45 PM ET (17:45 GMT) at the Economic Club of Washington.
- USD/JPY -** The USD/CNY pair traded 0.4% lower to 6.7910 as the People's Bank of China (PBOC) set the yuan reference rate at 6.8160 vs the previous day's fix of 6.8526. The producer price index and the consumer price index took centre stage as they both grew less than expected in December, official data showed on Thursday in Asia. The producer price index in December, which measures price increases before they reach the consumer, was up 0.9% from a year ago, lower than the expected 1.6%, according to the latest data published by the National Bureau of Statistics. Factory prices have now decelerated for six months in a row, the South China Morning Post reported. The consumer price Index, a gauge of prices for goods and services, rose 1.9% year on year in December, compared to 2.2% in November.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.53	-0.15	70.24	70.39	70.58	70.73	70.93
EUR-INR	81.46	+0.57	81.08	81.27	81.61	81.80	82.14
GBP-INR	90.04	+0.14	89.64	89.84	90.16	90.36	90.68
JPY-INR	65.31	+0.53	65.03	65.17	65.40	65.54	65.77

CURRENCY IN FOCUS

USD-INR (Jan)



**Technical Strategy: USD-INR Jan. Sell below 70.50 with SL above 70.70 TP-70.20/70.00**

Major Economic Data and Events Schedule For 11-01-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
3:00pm	GBP	GDP m/m	0.1%	0.1%	High
-	-	Manufacturing Production m/m	0.4%	-0.9%	-

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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