

Thursday, 11 April 2019

**DOMESTIC MARKET ACTIVITY AS ON 10-04-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2497468	+4.49	14822.60	-19.67	2133749	-19.40
EURINR	56413	+7.81	640.42	+9.40	81671	+9.86
GBPINR	53652	-3.29	1307.64	-27.89	143894	-27.56
JPYINR	25219	-0.47	152.78	-17.99	24416	-17.80

**CURRENCY UPDATES**

- DOLLAR INDEX-** The index is fading the initial optimism seen during the Asian trading hours and has now returned to the 97.00 handle, navigating the lower end of the range after hitting 97.50 during last week. In the meantime, the greenback paid little attention to news citing the potential US sanctions against EU products, as per yesterday's comments (threats) by President Trump. Moving forward, investors expect today's FOMC minutes to come in on the dovish side, while attention will also be on whether consumer prices managed to pick up some convincing traction during last month. XY keeps tracking the broad risk appetite trends while headlines coming from the US-China/US-EU trade fronts also collaborate with the price action. In addition, positive results in the US calendar have been also fuelling the upside in DXY to 97.00 and beyond in past sessions. Today's FOMC minutes are expected to shed details on the potential discussion of a re-assessment of the Fed's monetary policy, particularly any mention of probable rate cuts if the outlook deteriorates. Market participants, in the meantime, continue to adjust to the prospects of no hikes from the Fed this year and just one probable rate raise in 2020. Additionally, the buck's safe-haven appeal and widening rate differentials vs. its peers keep propping up the underlying constructive bias in the index.
- EUR/USD -** The single currency remained apathetic after the ECB decision today, with EUR/USD navigating the upper end of the weekly range in the 1.1280 area. The pair remains in the 1.1270/80 zone after the ECB's Governing Council left its monetary status quo unchanged at today's meeting, in line with prior surveys. In fact, the ECB left intact the interest rate on the main refinancing operations, the interest rate on the marginal lending facility and the deposit facility at 0.00%, 0.25% and 0 -0.40%, respectively. Furthermore, the central bank sees rates at present levels at least through the end of the current year. Moving forward, the TLTRO-III and a potential tiered deposit rate system should be in the centre of the debate at Draghi's press conference and the subsequent Q&A session.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.34	-0.24	69.11	69.23	69.40	69.52	69.69
EUR-INR	78.41	-0.16	77.97	78.19	78.40	78.62	78.83
GBP-INR	90.96	-0.05	90.40	90.68	90.89	91.17	91.38
JPY-INR	62.52	-0.06	62.31	62.41	62.55	62.66	62.80

**CURRENCY IN FOCUS**

**JPY-INR (Apr)**



**Technical Strategy:** Sell GBP-INR Apr AT 91.00 -91.05 with SL above 91.20 TP-90.75/90.60.

**Major Economic Data and Events Schedule For 11-04-2019**

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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