

Tuesday, 11 June 2019

DOMESTIC MARKET ACTIVITY AS ON 10-06-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2016758	-1.11	10019.38	-13.89	1437971	-14.05
EURINR	74902	+24.18	549.43	-12.25	69604	-12.74
GBPINR	52588	+0.61	678.98	-16.33	76669	-16.39
JPYINR	61340	+1.76	206.19	-18.86	32117	-18.91

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar moved higher against a currency basket on Monday amid indications that global trade tensions are easing but gains were held in check by expectations for lower U.S. interest rates. Against a basket of six peers, the U.S. dollar index rose 0.3% to 96.871 by 04:17 AM ET (08:17 GMT), recovering slightly after ending with a 1.2% loss last week, its worst weekly performance since the week of Feb. 16, 2018. Market sentiment was boosted after the U.S. and Mexico struck a migration deal late last week to avert a tariff war. U.S. President Donald Trump had threatened to impose 5% import tariffs on all Mexican goods starting on Monday if Mexico did not commit to do more to tighten its borders. Over the past year, trade disputes between the U.S. and its trading partners, including a long-running conflict with China, have slowed global growth and unsettled financial markets.
- EUR/USD-** The dollar continues to remain firm in early European trading and it is keeping EUR/USD at around 1.1310 levels for the time being. The pair is weaker by about 0.2% with the low touching 1.1303 earlier as the greenback retraces some of its losses from Friday. Of note, there are large expiries rolling off at 1.1300 in the pair today so that will help to limit downside price action in the session ahead. Liquidity conditions are a bit on the thinner side with some European markets closed today but in any case, watch out for the 100-hour MA (red line) over the next few sessions. That level rests at 1.1270 today and sits nearby the 100-day MA @ 1.1274. Those two levels will be critical in determining if the upside momentum in EUR/USD can extend further this week. Meanwhile, topside resistance is seen closer to 1.1366 where the 200-day MA lies currently. There's minor resistance from Friday's highs and light offers near 1.1350 to also take note of just in case. Despite the dollar faring better today, it's too early to judge that this is a return to form for the greenback. If price starts to test levels under 1.1300, I'd be more convinced of a potential downside move again in the pair. Otherwise, buyers still have reason to keep up the decent run from the end of last week for now.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.78	0.26	69.41	69.60	69.69	69.88	69.97
EUR-INR	78.95	0.52	78.54	78.74	78.88	79.08	79.22
GBP-INR	88.49	-0.09	88.27	88.38	88.54	88.65	88.81
JPY-INR	64.27	0.10	63.97	64.12	64.20	64.36	64.44

CURRENCY IN FOCUS

USD-INR (June)



Technical Strategy: Buy USD -INR June AT 69.69 69.65 with SL below 69.50 TP-70.05/70.20.

Major Economic Data and Events Schedule For 11-06-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
2:00pm	GBP	Average Earnings Index 3m/y	2.9%	3.2%	High

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.

Contact

SMS: 'Arihant' to 56677

Websitewww.arihantcapital.com**Email Id**research@arihantcapital.com

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Arihant Capital Markets Ltd

Commodity/Currency Research Desk: 6, Lad Colony, Y.N. Road Indore-3

T: 0731-4217191. Fax: 0731-4217103

Corporate Office: 1011, Solitaire Corporate Park, Building No.10, 1st Floor,
Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093

D. +91.22.42254800 and 67114800

www.arihantcapital.com