

Thursday, 11 July 2019

**DOMESTIC MARKET ACTIVITY AS ON 10-07-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2169484	+1.43	8580.04	-35.43	1248428	-35.30
EURINR	77793	-1.13	461.10	-8.67	59691	-8.58
GBPINR	77981	-3.13	1116.68	+24.71	130197	+25.15
JPYINR	41130	-6.94	174.05	-14.83	27525	-14.59

**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.
- GBP/USD/JPY-** The GBP/USD pair was little changed at 1.2509. On the data front, U.K. gross domestic product and industrial output figures are due Wednesday, while the Bank of England will release its financial stability report on Thursday. Boris Johnson, who has vowed to take the U.K. out of the EU on Oct. 31 even without transitional arrangements to mitigate the shock, is reportedly on course for a clear victory in the Conservative Party leadership contest, according to a Reuters report. The USD/JPY pair was also near flat at 108.72. Tension between Japan and South Korea remained after Japan's Industry Minister Hiroshige Seko said today that Japan was "not thinking at all" of withdrawing restrictions on Japanese high-tech exports to South Korea. "Whether Japan implements additional measures depend on South Korea's response," he told a news conference after a cabinet meeting. Last Monday, Japan's Ministry of Economy, Trade and Industry issued a statement that Tokyo "will apply updated licensing policies and procedures on the export and transfer of controlled items and their relevant technologies to (South Korea)."

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	68.72	+0.05	68.52	68.62	68.71	68.81	68.91
EUR-INR	77.22	+0.15	76.98	77.10	77.18	77.30	77.39
GBP-INR	85.83	+0.19	85.43	85.63	85.78	85.98	86.13
JPY-INR	63.22	-0.04	63.04	63.13	63.23	63.32	63.42

**CURRENCY IN FOCUS**

**USD-INR (July)**



**Technical Strategy: Sell USD-INR July AT 68.60-68.62 with SL above 68.80 TP-68.30/68.10.**

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

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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