ArihantCapital
Generating Wealth

DAILY CURRENCY UPDATE

Thursday, 11 October 2018

DOMESTIC MARKET ACTIVITY AS ON 10-10-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	4793595	-0.08	15045.91	-22.20	2022243	-22.18
EURINR	121241	+0.38	600.86	-13.69	70073	-13.91
GBPINR	62249	+6.03	797.09	+29.53	81353	+28.66
JPYINR	40851	-2.27	142.5	-28.68	21618	-28.72

CURRENCY UPDATES

- **DOLLAR INDEX-** A rally in the dollar paused on Wednesday, as U.S. Treasury yields held below their recent seven-year highs, but demand for the greenback continued to be underpinned by expectations for a potentially faster pace of rate hikes from the Federal Reserve. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was holding steady at 95.4 by 04:13 AM ET (08:13 AM GMT), holding below a seven-week high of 95.84 reached in the previous session. The dollar paused as the yield on 10-year Treasury notes eased after touching fresh seven-and-a-half year highs on Tuesday. The sell-off in Treasuries has been spurred by expectations that the Fed will continue to raise rates in December and beyond as the outlook for the economy remains strong. Rising bond yields have hit demand for stocks in recent sessions, souring risk appetite.

- **EUR/USD-** The pound trimmed back gains against the dollar on Wednesday after data showing that the UK economy was flat in August but grew by 0.7% on a quarterly basis. GBP/USD was at 1.3146 by 05:21 AM ET (09:22 AM GMT), down from around 1.3162 earlier. The Office of National Statistics said the economy grew 0.7% in the three months to August, picking up from the 0.6% expansion seen in the three months to July. The report noted that wholesale and retail trade showed strong growth, in part due to warmer than usual weather in the summer months. "The economy continued to rebound strongly after a weak spring, with retail, food and drink production and house building all performing particularly well during the hot summer months. However, long-term growth continues to lag behind its historical trend,"

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	74.40	-0.24	74.11	74.26	74.37	74.51	74.62
EUR-INR	85.66	0.28	85.32	85.49	85.67	85.84	86.01
GBP-INR	98.05	0.75	97.31	97.68	97.89	98.26	98.47
JPY-INR	65.77	-0.22	65.56	65.67	65.83	65.94	66.10

Update Report

CURRENCY IN FOCUS

JPY-INR (Oct.)

Technical Strategy: JPY-INR Oct Sell below 65.75 with SL above 65.95 TP-65.45/65.25.

Major Economic Data and Events Schedule For 11-10-2018					
Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
10:30am	GBP	BOE Gov Carney Speaks	-	-	High
2:30pm	-	BOE Gov Carney Speaks	-	-	-

Impact -HighMediumLow

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*.

Update Report

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