

Wednesday, 12 June 2019

DOMESTIC MARKET ACTIVITY AS ON 11-06-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	1978063	-1.92	10820.38	+7.99	1555034	+8.14
EURINR	76908	+2.68	408.03	-25.74	51748	-25.65
GBPINR	53320	+1.39	849.05	+25.05	96013	+25.23
JPYINR	56350	-8.13	234.24	+13.60	36526	+13.73

CURRENCY UPDATES

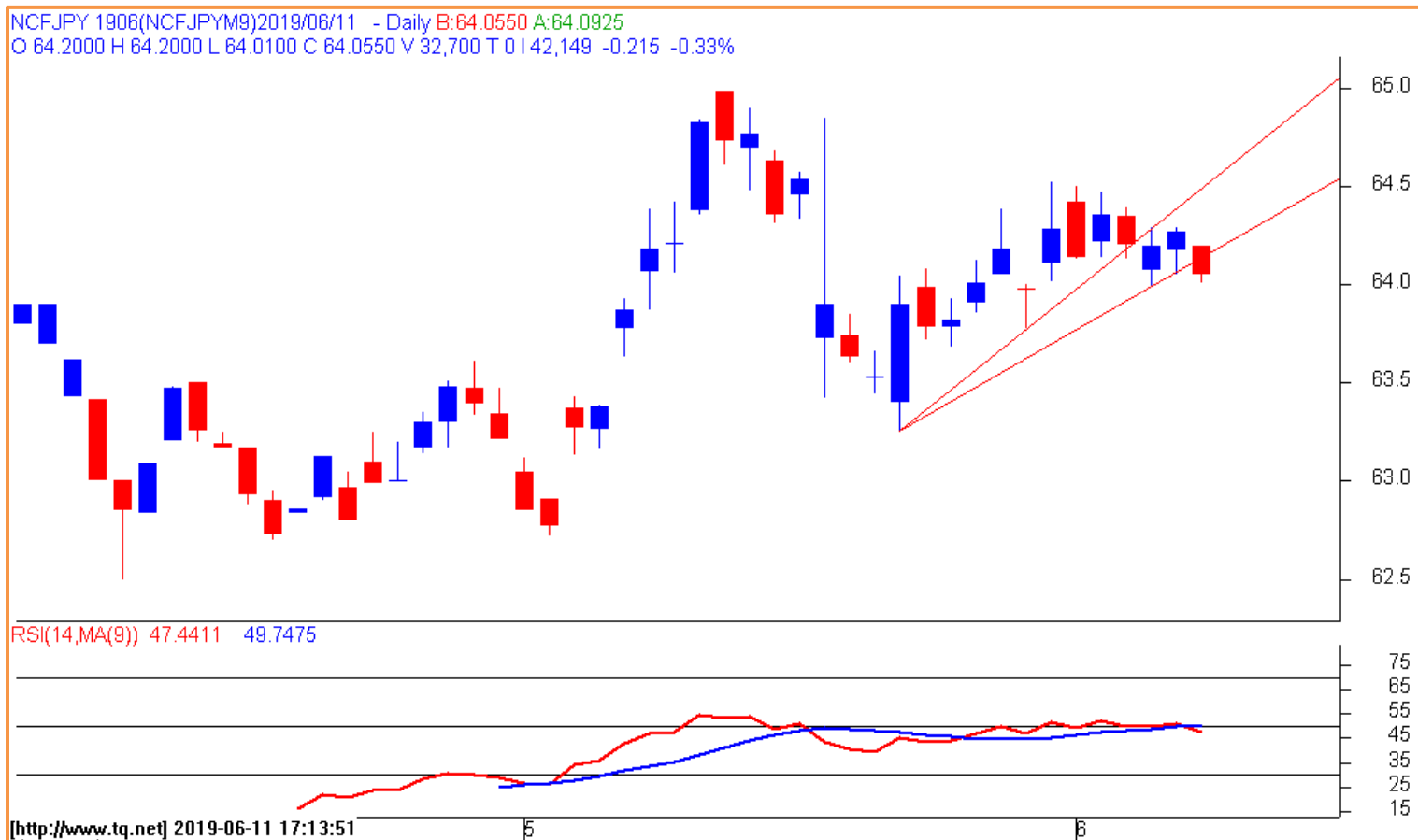
- DOLLAR INDEX-** The dollar steadied above a recent two-and-a-half-month low on Tuesday as investors focused on a Group of 20 summits later this month where Beijing and Washington might make some progress on trade talks. A 3.5% rally in the dollar against its rivals in the first five months of 2019 has come to a halt in recent weeks as dovish comments from Federal Reserve officials and weak economic data bolster rate-cut expectations. Though markets are only pricing in about a 20% chance of a rate cut in June, they are fully pricing in a cut by July, and more than three rate hikes by mid-2020. The next policy meeting is scheduled for next week. Rising rate cut bets have also prompted investors to increase holdings of other currencies, with latest positioning data showing the biggest weekly rise in euro positions in nine months. With the dollar having weakened 1% this month against a basket of other major currencies to hit a late-March low of 96.46 last week, investors is firmly focused on a G20 meeting in Osaka, Japan, on June 28-29. The dollar was broadly steady at 96.80 on Tuesday. "That meeting is now becoming the centre piece for financial markets in the coming days," said Simon Derrick, a currency strategist at BNY Mellon in London. U.S. President Donald Trump said on Monday he was ready to impose more tariffs if talks at the summit with China's president, Xi Jinping, make no progress.
- GBP/USD-** Despite seeing strong gains last week, the Pound Sterling to US Dollar (GBP/USD) exchange rate has already shed a good chunk of that as the Pound (GBP) was knocked by an unexpected contraction in UK growth yesterday. Last week saw GBP/USD climb from 1.2633 to 1.2737 throughout the week, gaining around a cent in response to broad US Dollar (USD) weakness. Since a brief climb to a fresh half-month-high when markets opened yesterday though, GBP/USD has tumbled, briefly touching a low of 1.2658 before trending closer to the level of 1.2690 today. The Pound saw one of its daily drops in a month in reaction to a slew of disappointing UK aerostats. The US Dollar was able to easily capitalise on this, as the currency saw a rebound in demand due to optimism towards US trade tensions.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.57	-0.30	69.36	69.47	69.57	69.67	69.77
EUR-INR	78.83	-0.16	78.66	78.74	78.81	78.90	78.97
GBP-INR	88.44	-0.06	88.01	88.23	88.42	88.63	88.82
JPY-INR	64.07	-0.32	63.90	63.99	64.09	64.18	64.28

CURRENCY IN FOCUS

JPY-INR (June)



Technical Strategy: Sell JPY -INR June AT 64.08 – 64.10 with SL above 64.30 TP-63.85/63.65.

Major Economic Data and Events Schedule For 12-06-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
1:45pm	EUR	ECB President Draghi Speaks	-	-	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