

Friday, 12 July 2019

DOMESTIC MARKET ACTIVITY AS ON 11-07-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	NA	NA	NA	NA	NA	NA
EURINR	-	-	-	-	-	-
GBPINR	-	-	-	-	-	-
JPYINR	-	-	-	-	-	-

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar retreated on Thursday in Asia after Federal Reserve Chairman Jerome Powell signalled the central bank is ready to cut interest rates soon. The U.S. dollar index that tracks the greenback against a basket of other currencies was down 0.2% to 96.507 by 12:47 AM ET (04:47 GMT). Despite a strong jobs report released last week, Powell indicated that overall growth has "moderated" and said "there is a risk that weak inflation will be even more persistent than we currently anticipate." "Apparent progress on trade turned to greater uncertainty, and our contacts in business and agriculture reported heightened concerns over trade developments," Powell said, noting that business investment "seems to have slowed notably" in recent months. The better-than-expected jobs report was "great news," he said, but wages did not raise enough to trigger much inflation which he believes is still too low. The Fed chief is due back later today when he'll appear before the Senate Banking Committee. Meanwhile, the minutes from the central bank's June policy meeting showed many policy makers also thought more stimuli would be needed soon.
- USD/JPY-** The USD/JPY pair fell 0.5% to 107.96. Kazuo Momma, a former executive director at the Bank of Japan (BOJ), said in an interview Tuesday that the central bank needs to extend its pledge to keep the country's extremely low rates intact. "The length of the extension will depend on the BOJ's economic outlook," said Momma. "It will aggressively extend the guidance if it's clear the global economy won't pick up within six months," he added. "The BOJ is now putting weight on the importance of sending a strong message that it will firmly continue with monetary easing," he said. Governor Haruhiko Kuroda and his board will conclude a two-day policy meeting on July 30.). The dollar's biggest losses were against the yen, dipping as low as 107.86, before rebounding to just above 108 in Europe. It's also sliding against the loonier, which is now testing a nine-month high after the Bank of Canada left its key rate unchanged on Wednesday.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	68.54	-0.26	68.29	68.42	68.50	68.63	68.71
EUR-INR	77.37	0.20	77.08	77.23	77.34	77.49	77.60
GBP-INR	86.20	0.43	85.60	85.90	86.09	86.39	86.58
JPY-INR	63.49	0.43	63.28	63.38	63.47	63.57	63.66

CURRENCY IN FOCUS

GBP-INR (July)



Technical Strategy: Buy GBP-INR July AT 86.10 – 86.08 with SL below 85.90 TP-86.40/86.60.

Major Economic Data and Events Schedule For 11-07-2019

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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