

Friday, 12 October 2018

DOMESTIC MARKET ACTIVITY AS ON 11-10-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	4770525	-0.48	24689.98	+64.10	3318142	+64.08
EURINR	118564	-2.21	726.08	+20.84	84269	+20.26
GBPINR	58259	-6.41	849.75	+6.61	86360	+6.15
JPYINR	39359	-3.65	247.13	+73.42	37182	+72.00

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar slid lower against a currency basket on Thursday as a global sell-off in equities and bonds gathered momentum, spurred by worries over the impact of rising interest rates. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was down 0.16% to 95.07 by 03:53 AM ET (07:53 AM GMT), after falling as low as 94.88 overnight. Stock markets across Europe tumbled following steep overnight losses in Asia and the largest decline for U.S. stocks in more than eight months on Wednesday as rising U.S. Treasury yields spurred a flight from risky assets. 10-year Treasury yields hit the highest level in seven-and-a-half year highs earlier this week amid expectations for a faster than expected pace of rate hikes from the Federal Reserve as the outlook for the U.S. economy remains strong. The sharp falls on Wall Street prompted U.S. President Donald Trump to once again criticize the U.S. central bank on Wednesday, calling the Fed "crazy" for its plans to continue gradual rate hikes in the coming months. The yield on 10-year Treasury notes firmed on Thursday amid increased aversion.
- EUR/USD-** The pair is now extending the rebound from recent lows in the 1.1430 zone seen earlier in the week amidst a persistent selling mood hitting the buck. The greenback continues to suffer the sour sentiment in the US stocks markets, as futures keep pointing to a weak start later today while yields of the key US 10-year note manage to rebound from recent lows. Back and forth in the Brexit negotiations plus the absence of relevant headlines around the Italian political arena seem to also be adding some support to the pair's up move. Looking ahead, spot should be under scrutiny, as investors will closely follow the release of the ECB minutes from the latest gathering, while the always critical CPI figures will be in the limelight across the pond.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	74.28	-0.16	73.83	74.06	74.37	74.59	74.91
EUR-INR	86.00	+0.40	85.29	85.65	86.07	86.43	86.85
GBP-INR	98.13	+0.09	97.35	97.74	98.27	98.66	99.19
JPY-INR	66.20	+0.66	65.82	66.01	66.34	66.53	66.85

CURRENCY IN FOCUS

USD-INR (Oct.)



Technical Strategy: USD-INR Oct Sell below 74.25 with SL above 74.50 TP-73.90/73.65.

Major Economic Data and Events Schedule For 12-10-2018

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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