

Wednesday, 13 February 2019

DOMESTIC MARKET ACTIVITY AS ON 12-02-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2413464	+3.27	16549.97	+90.11	2329775	+90.92
EURINR	84889	+4.77	700.67	+118.95	87286	+120.56
GBPINR	48551	+5.22	1034.54	+25.27	113118	+26.29
JPYINR	46090	-8.20	287.22	+108.99	44602	+110.58

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar rose to a new eight-week high in early trade in Europe Tuesday, as news of the deal to avert a fresh government shutdown was overshadowed by continued concerns about the U.S.-China trade war and more bearish talk out of Europe. The US Dollar Index, which tracks the greenback against a basket of major currencies, rose for a ninth straight day after German central bank chief Jens Weidman warned in a speech that the euro zone was still not "crisis-proof". With one of the most obvious political risks to the U.S. economy lifted, the dollar remains the major currency best supported by short-term growth and interest-rate dynamics. The euro, British pound and yen by contrast are all struggling to develop any kind of momentum, given the problems in their home economies. "We assess the risks of a 'technical' recession (in the euro zone) at about one in three," said IHS Markit's chief European economist Ken Wattret in a research note. However, he said that "a severe recession remains unlikely, absent the usual triggers, including policy tightening and financial stress." The pound slid to a new three-week low overnight, extending the losses it made after a raft of data showing the U.K. economy close to stalling as the deadline to leave the European Union approaches.
- GBP/USD -** The pair held on to a mildly positive tone for the second consecutive session on Tuesday, albeit trimmed a part of its early gains to over six-week high level of 110.65. The pair struggled to capitalize on the early uptick and failed near a confluence barrier - comprising of 55-day SMA and 61.8% Fib. Level of the 114.21-104.69 downfall. Slightly overbought conditions on hourly charts seemed to be the only factor capping gains, rather prompting some long-unwinding trade amid a modest USD pull-back. However, oscillators on the daily chart have just started gaining positive traction and support prospects for an extension of the recent bullish break through the 110.00 handle. Hence, any dips back towards the mentioned resistance break-point might now be seen as a buying opportunity for an eventual move beyond the 111.00 round figure mark.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.83	-0.66	70.46	70.65	71.00	71.19	71.54
EUR-INR	80.09	-0.84	79.47	79.78	80.23	80.54	81.00
GBP-INR	91.16	-1.13	90.44	90.80	91.43	91.79	92.42
JPY-INR	64.23	-0.89	63.79	64.01	64.35	64.58	64.92

CURRENCY IN FOCUS

USD-INR (Feb)



Technical Strategy: Sell USD - INR Feb. AT 71.00 with SL above 71.15 TP-70.80/70.65.

Major Economic Data and Events Schedule For 13-02-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
3:00pm	GBP	CPI y/y	1.9%	2.1%	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.

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