

Wednesday, 13 March 2019

DOMESTIC MARKET ACTIVITY AS ON 12-03-2019

| Currency Pairs | Open Interest | % Chg | Total Trade Volume | % Chg | No of Contracts Traded | % Chg |
|----------------|---------------|-------|--------------------|---------|------------------------|---------|
| USDINR | 2409374 | +0.22 | 18694.46 | +42.64 | 2677152 | +43.22 |
| EURINR | 76915 | +2.68 | 458.23 | +3.77 | 58184 | +3.98 |
| GBPINR | 67276 | +0.14 | 2102.45 | +101.94 | 228520 | +100.07 |
| JPYINR | 38814 | +2.27 | 191.83 | +21.57 | 30546 | +22.31 |

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar stayed within familiar trading ranges as investors looked ahead to February inflation figures due at 8:30AM ET (12:30 GMT). Data on Monday showed U.S. retail sales rose moderately in January, lifted by an increase in purchases of building materials and discretionary spending. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was down 0.25% at 96.93.
- EUR/USD -** What's more is that the core rate of inflation is projected to print 2.2% for the fourth consecutive month, and signs of sticky price growth may spark a bullish reaction in the U.S. dollar as it put pressure on the Federal Reserve to bring back the hawkish forward-guidance for monetary policy. As a result, the Federal Open Market Committee (FOMC) may have a difficult time in abandoning the hiking-cycle even though Chairman Jerome Powell asserts that the central bank won't 'overreact' to above-target inflation, and the Summary of Economic Projections (SEP) may renew bets for a rate-hike if Fed officials continue to forecast a longer-run interest rate forecast of 2.75% to 3.00%. However, a dismal development may encourage the FOMC to endorse a wait-and-see approach throughout the first-half of 2019 as 'some risks to the downside had increased,' and the dollar may face a more bearish fate over the near-term should the data prints keep the Fed on track to halt the hiking-cycle. The U.S. Consumer Price Index (CPI) may undermine the recent rebound in EUR/USD as the headline reading is expected to hold steady at 1.6% in February.

TECHNICAL LEVELS

| Currency Pairs | Fut. Closed | % Chg | S2 | S1 | Pivot | R1 | R2 |
|----------------|-------------|-------|-------|-------|-------|-------|-------|
| USD-INR | 69.81 | -0.30 | 69.50 | 69.65 | 69.76 | 69.92 | 70.03 |
| EUR-INR | 78.75 | -0.16 | 78.44 | 78.60 | 78.74 | 78.90 | 79.04 |
| GBP-INR | 90.99 | -0.16 | 89.81 | 90.40 | 91.49 | 92.08 | 93.17 |
| JPY-INR | 62.88 | -0.29 | 62.47 | 62.67 | 62.81 | 63.01 | 63.14 |

CURRENCY IN FOCUS

USD-INR (Mar)



Technical Strategy: Buy USD-INR Mar AT 69.80 with SL below 69.60 TP-70.10/70.25.

Major Economic Data and Events Schedule For 13-03-2019

| Time | Currency | Economic Indicators | Forecast | Previous | Possible Impact |
|-----------|----------|------------------------|----------|----------|-----------------|
| Tentative | GBP | Parliament Brexit Vote | Reject | Reject | 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

Arihantis Forbes Asia's '200 Best under a \$Billion' Company
'Best Emerging Commodities Broker' awarded by UTV Bloomberg

Disclaimer: This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

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