

Tuesday, 13 November 2018

DOMESTIC MARKET ACTIVITY AS ON 12-11-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2337164	-5.76	16735.90	+17.54	2290018	+17.10
EURINR	81796	+0.41	598.29	-21.96	72436	-21.87
GBPINR	41237	+0.98	899.07	-4.76	95450	-4.06
JPYINR	31826	+1.82	195.51	+61.73	30456	+61.31

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar rose to 16-month highs against a currency basket on Monday amid expectations for the Federal Reserve to keep raising interest rates in December and beyond, while concerns over Brexit pressured the pound lower. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, rose 0.55% to 97.28 by 02:56 AM ET (07:56 AM GMT), the most since June 2017. The index has risen for the past three straight weeks, gaining 0.48% last week. Demand for the dollar was underpinned after the Fed indicated last week that rates are likely to rise in December and again in early 2019, with the U.S. economy looking strong on almost every front.
- GBP/USD-** The GBP/USD pair remained heavily offered through the early European trading hours and was now seem to extend the downfall further below mid-1.2800s. The pair's attempted intraday rebound met with some fresh supply near the 1.2945-50 region and negative Brexit headlines provided bearish traders with a reason to regain their dominant position for the third consecutive session on Monday. The British Pound crashed across the board in wake of mounting Brexit uncertainty, especially after the weekend report that four more ministers, who backed remaining in the EU, could resign in the final phase of Brexit negotiations. The report also mentioned that the EU rejected the UK PM Theresa May's plan for an independent mechanism to oversee Britain's departure from any temporary customs arrangement it agrees and further collaborated towards denting sentiment surrounding the British Pound. May's Brexit plan was also facing opposition from Brexiteers, pro-Europeans, the Northern Irish party, and even some of her own ministers, and risks being voted down by parliament, increasing possibilities for a potentially chaotic no-deal Brexit. Meanwhile, a strong follow-through greenback buying interest, lifting the key US Dollar Index to over 17-month tops, further aggravated the selling pressure on the first day of a new trading week and contributed to the pair's slide to an intraday low level of 1.2827.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	73.03	0.54	72.60	72.82	73.01	73.23	73.42
EUR-INR	82.33	-0.29	81.89	82.11	82.45	82.67	83.01
GBP-INR	94.09	-0.56	93.46	93.77	94.13	94.45	94.81
JPY-INR	64.19	0.42	63.76	63.98	64.14	64.36	64.53

CURRENCY IN FOCUS

USD-INR (Nov.)



Technical Strategy: USD-INR Nov. Sell below 73.00 with SL above 73.20 TP-72.75/72.65.

Major Economic Data and Events Schedule For 13-11-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
3:00pm	GBP	Average Earnings Index 3m/y	3.0%	2.7%	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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