

Thursday, 14 February 2019

DOMESTIC MARKET ACTIVITY AS ON 13-02-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2629380	+8.95	17443.82	+5.40	2464808	+5.80
EURINR	84444	-0.52	504.15	-28.05	62775	-28.08
GBPINR	46953	-3.29	656.73	-36.52	71857	-36.48
JPYINR	42576	-7.62	242.85	-15.45	37915	-14.99

CURRENCY UPDATES

- DOLLAR INDEX-** The Federal Reserve's dovish shift is beginning to diminish the dollar's appeal for currency speculators. A Citigroup Inc (NYSE:C). SIndex has dropped below zero for the first time since March 2018, indicating currency funds are holding net short positions on the U.S. currency. That signals further dollar gains may be hard to come by after the greenback's longest winning streak in three years.
- EUR/USD** - The EUR/USD pair extended its retracement slide from weekly tops and has now drifted into negative territory, eroding a part of previous session goodish bounce from three-month lows. After the overnight profit-taking slide, the US Dollar regained positive traction since the early European trading session and triggered the initial leg of the pair's retracement slide from an intraday high level of 1.1342. The greenback found some support from the overnight news that the US lawmakers have reached a tentative budget deal to avert another partial government shutdown and growing optimism over a possible US-China trade deal. The US President Donald Trump said on Tuesday that he will push back a March 1 deadline for the imposition of new tariffs on Chinese imports if there is enough progress on addressing various trade issues between the two countries. Meanwhile, the shared currency was further weighed down by yet another disappointing Euro-zone economic data, showing that the region's industrial production contracted more than expected for the second straight month in December. The incoming economic data continues to fuel concerns about the health of the Euro-zone's economic growth, which might force the ECB to push back its planned rate hike to 2020 and further collaborated to the weaker sentiment surrounding the common currency. It would now be interesting to see if the pair is able to find any buying interest at lower levels or the current slide marks the resumption of the prior depreciating move as the focus now shifts to the release of the latest US consumer inflation figures.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.96	+0.17	70.32	70.64	70.82	71.14	71.32
EUR-INR	80.42	+0.42	79.92	80.17	80.32	80.57	80.72
GBP-INR	91.50	+0.37	90.88	91.19	91.38	91.69	91.88
JPY-INR	64.18	-0.07	63.64	63.91	64.07	64.34	64.50

CURRENCY IN FOCUS

JPY-INR (Feb)



Technical Strategy: Buy JPY-INR Feb. AT 64.10 with SL below 63.90 TP-64.35/64.55.

Major Economic Data and Events Schedule For 14-02-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
3:00pm	GBP	MPC Member Vlieghe Speaks	-	-	Medium
3:30pm	EUR	Flash GDP q/q	0.2%	0.2%	-

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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