

Thursday, 14 March 2019

DOMESTIC MARKET ACTIVITY AS ON 13-03-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2375496	-1.41	13553.31	-27.50	1942857	-27.43
EURINR	77145	+0.30	446.33	-2.60	56574	-2.77
GBPINR	60333	-10.32	1014.11	-51.77	110696	-51.56
JPYINR	41119	+5.94	155.84	-18.76	24832	-18.71

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar index was slightly lower, at 96.899 against rival currencies. Tuesday's softer-than-expected U.S. February inflation data and falling U.S. government bond yields have dented dollar demand, analysts said. MUFG analysts noted that euro/dollar had "fully reversed last week's sell-off following the dovish ECB (European Central Bank) meeting".
- EUR/USD -** EUR/USD keeps the rally well and sound for yet another session on Wednesday, probing fresh tops beyond the critical 1.1300 the figure although losing some shine afterwards. The pair keeps the bid tone unchanged since last Friday, managing to regain the 1.1300 barrier and practically fully revert the ECB-led deep pullback to new 2019 lows around 1.1180 (March 7). In the meantime, the continuation of the upbeat sentiment in the risk-associated universe keeps bolstering the rally in spot despite developments in the US-China trade front have cooled down as of late, particularly after US trade negotiator R. Lighthizer said yesterday that there are 'major issues' yet to be resolved in the dispute. Data wise in Euro land, Industrial Production in the bloc had a promising start of the year, expanding at a monthly 1.4% in January, reverting at the same time December's contraction. Moving forward, US Durable Goods Orders and Producer Prices are coming up next across the pond. Market participants appear to have already adjusted to the recent and renewed dovish stance from the ECB, focusing instead on the broad risk-appetite trends as the main driver of the price action in the near term. In the longer run, the performance of the economy in the region should remain in centre stage along with prospects of re-assessment of the ECB's monetary policy. In this regard, it is worth mentioning that investors keep pricing in the first rate hike by the central bank at some point in H2 2019. On the political front, headwinds are expected to emerge in light of the upcoming EU parliamentary elections, where the focus of attention will be on the potential increase of the populist option among voters.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.65	-0.23	69.33	69.49	69.69	69.85	70.05
EUR-INR	78.81	0.08	78.51	78.66	78.83	78.98	79.15
GBP-INR	91.71	0.79	91.06	91.39	91.57	91.90	92.08
JPY-INR	62.65	-0.35	62.33	62.49	62.71	62.87	63.09

CURRENCY IN FOCUS

EUR-INR (Mar)



Technical Strategy: Buy EUR-INR Mar above 78.85 with SL below 78.70 TP-79.05/79.20.

Major Economic Data and Events Schedule For 14-03-2019

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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