

Friday, 15 March 2019

**DOMESTIC MARKET ACTIVITY AS ON 14-03-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2418761	+1.82	26945.98	+98.81	3864184	+98.89
EURINR	73961	-4.13	577.97	+29.49	73178	+29.35
GBPINR	57219	-5.16	1847.18	+82.15	199786	+80.48
JPYINR	40415	-1.71	285.86	+83.43	45714	+84.09

**CURRENCY UPDATES**

- DOLLAR INDEX-** The U.S. dollar index against a basket of six major currencies was steady at 96.52 after falling to a two-week low of 96.34 a day earlier after data showed U.S. producer prices rose at a slower-than-expected pace in February. The report reinforced expectations the Federal Reserve will stay patient on rates and could even sound more dovish at its policy meeting next week.
- EUR/USD -** The selling pressure around the shared currency is now picking up further pace and motivates EUR/USD to recede from recent tops and refocus on the 1.1300 area. Following four consecutive daily gains, spot is now showing some lack of confidence to extend the rally beyond the 1.1340 area for the time being, receding to daily lows in the vicinity of the 1.1300 handle. Sellers have suddenly clustered around the shared currency in response to market chatter pointing to the postponement of the Trump-Xi meeting for the month of April. It is worth recalling that both parties have originally agreed to meet later this month to discuss what market were already calling the latest stage prior to a trade deal. In the data space, German final CPI figures came in below the preliminary readings for the month of February, showing consumer prices rose 0.4% inter-month and 1.5% from a year earlier. On the opposite side, French prices improved from the flash prints. In the US docket, the usual weekly report on the labour market is due along with New Home Sales, the NAHB index and Export/Import Prices. In addition, and what will be the salient event today, the UK House of Commons will likely pass the vote for an extension of the Article 50 for an extra 2-3 months. 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.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.43	-0.31	69.07	69.25	69.54	69.73	70.02
EUR-INR	78.67	-0.19	78.18	78.42	78.83	79.07	79.48
GBP-INR	92.04	+0.36	91.15	91.59	92.24	92.69	93.34
JPY-INR	62.34	-0.50	61.98	62.16	62.43	62.61	62.88

**CURRENCY IN FOCUS**

**USD-INR (Mar)**



**Technical Strategy: Sell USD-INR Mar AT 69.53 -69.55 with SL above 69.70 TP-69.20/69.00.**

**Major Economic Data and Events Schedule For 15-03-2019**

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
Tentative	JPY	Monetary Policy Statement	-	-	High
-		BOJ Press Conference	-	-	
-		BOJ Policy Rate	-0.10%	-0.10%	Low
2:25pm		BOJ Gov Kuroda Speaks	-	-	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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'Best Emerging Commodities Broker' awarded by UTV Bloomberg

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