

Thursday, 16 May 2019

DOMESTIC MARKET ACTIVITY AS ON 15-05-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	3186917	+0.14	10781.67	-19.01	1530539	-18.86
EURINR	71020	-3.54	491.69	-19.87	62194	-19.51
GBPINR	37764	-1.87	1032.94	-2.41	113519	-1.92
JPYINR	50054	+4.67	302.04	+12.10	46912	+12.17

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar was higher in early trading in Europe on Wednesday, supported by comments from senior Federal Reserve officials playing down the likelihood of interest rate cuts, and by a fresh bout of safe-haven buying on geopolitical tensions. At 03:00 AM ET (0700 GMT), the dollar index, which measures the greenback against a basket of six major currencies, was at 97.36, up nearly half a percent from Monday's lows and up 0.1% from late on Tuesday. President Donald Trump on Tuesday called on the Federal Reserve to "match" any stimulus provided by China to offset the economic damage from his new tariffs. However, Kansas City Fed President Esther George warned in a speech that "Lower interest rates might fuel asset price bubbles, create financial imbalances, and ultimately a recession," and put the responsibility for any risk to the U.S. economy on "trade policy uncertainty and slower growth abroad, particularly in China, the euro area, and the United Kingdom." In a separate appearance, New York Fed President John Williams warned that tariffs would tend to push up inflation.
- EUR/USD -** EUR/USD started the week with slight losses, but has steadied on Wednesday. Currently, the pair is trading at 1.1203, up 0.01% on the day. On the release front, first-quarter GDP reports for Germany and the euro zone matched their forecasts. The U.S. will release consumer spending reports for July, with the markets braced for weaker numbers. Retail sales are projected slowly to 0.2%, down from 1.6% in the previous release. Core retail sales are projected to drop to 0.7%, compared to 1.2% in March. On Thursday, the euro zone releases trade balance, while the U.S. posts building permits, unemployment claims and the Philly Fed Manufacturing Index. There was positive news from first-quarter GDP data in the euro zone. German Preliminary GDP improved to 0.4%, after a flat zero reading in the third quarter. In the euro zone, Flash GDP also climbed to 0.4%, up from 0.2% in Q1. Is the economic slowdown over in the euro zone? It's too early to tell, but if key indicators follow suit and head upwards, sentiment towards the euro zone will improve and likely boost the euro.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.44	-0.20	70.18	70.31	70.42	70.55	70.66
EUR-INR	78.94	-0.53	78.65	78.80	79.03	79.18	79.41
GBP-INR	90.96	-0.51	90.60	90.78	90.99	91.16	91.37
JPY-INR	64.41	+0.05	63.78	64.09	64.44	64.76	65.11

CURRENCY IN FOCUS

GBP-INR (May)



Technical Strategy: Sell GBP -INR May AT 91.00 – 91.05 with SL above 91.20 TP-90.80/90.65.

Major Economic Data and Events Schedule For 16-05-2019

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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