

Tuesday, 16 July 2019

DOMESTIC MARKET ACTIVITY AS ON 15-07-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2558614	+4.06	7387.95	-43.35	1075697	-43.32
EURINR	79870	+1.58	271.61	-36.05	35020	-36.08
GBPINR	80529	+4.28	573.43	-40.64	66407	-40.71
JPYINR	43065	-3.65	118.95	-20.86	18673	-21.10

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar was flat on Friday as a slight uptick in core inflation failed to deter expectations that the Federal Reserve will cut rates at the end of July. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, fell 0.1% to 96.6615 by 10:30 AM ET (14:30 GMT). Fed Chairman Jerome Powell testified before Congress this week, telling lawmakers that the central bank is concerned about weak inflation and other uncertainties. The Fed is expected to cut rates by 25 basis points at its next policy meeting at the end of the month. Meanwhile, core inflation data rose in June, pointing to a moderate gain in retail prices. That follows data from Thursday that showed underlying consumer prices increased in June to an almost one-and-a-half year high. Still, signs of underlying inflation picking up have failed to diminish hope that the Fed will cut rates.
- USD/JPY-** The USDJPY is trading at a new session low. In the process, the pair fell below the 200 hour and 200 bar MA on the 4-hour at the 108.25-27 area. More bearish. The pair is testing the 38.2% of the move up from the June 25 lower. That level was broken yesterday on the way to the 50% retracement where buyers came in and pushed the price higher. Today the 100 hour MA may have been broken by a few pips at 108.56 (high reached 108.60) but could not muster much momentum and buyers turned to sellers. The fall in the USDJPY is also reflected in the JPY crosses (see charts below). The GBPJPY fell below its 100 and 200 hour MAs, the EURJPY also fell below those MAs and tests the low from yesterday. The AUDJPY is testing the 100 and 200 hour MAs now.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	68.63	-0.21	68.53	68.58	68.64	68.69	68.75
EUR-INR	77.51	-0.04	77.40	77.45	77.52	77.58	77.65
GBP-INR	86.22	-0.06	86.05	86.14	86.29	86.37	86.52
JPY-INR	63.72	0.20	63.51	63.62	63.69	63.79	63.86

CURRENCY IN FOCUS

EUR-INR (July)



Technical Strategy: Sell EUR-INR July AT 77.50-77.55 with SL above 77.70 TP-77.20/77.00.

Major Economic Data and Events Schedule For 16-07-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
2:00pm	GBP	Average Earnings Index 3m/y	3.1%	3.1%	Low

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.

Contact

SMS: 'Arihant' to 56677

Websitewww.arihantcapital.com**Email Id**research@arihantcapital.com

Arihantis Forbes Asia's '200 Best under a \$Billion' Company
'Best Emerging Commodities Broker' awarded by UTV Bloomberg

Disclaimer: This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

Arihant Capital Markets Ltd

Commodity/Currency Research Desk: 6, Lad Colony, Y.N. Road Indore-3

T: 0731-4217191. Fax: 0731-4217103

Corporate Office: 1011, Solitaire Corporate Park, Building No.10, 1st Floor,
Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093

D. +91.22.42254800 and 67114800

www.arihantcapital.com