

Thursday, 16 August 2018

DOMESTIC MARKET ACTIVITY AS ON 14-08-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	3126406	+9.10	24213.28	-40.45	3459275	-40.57
EURINR	105954	+3.83	587.00	-54.71	73425.00	-54.92
GBPINR	69991	-7.18	810.35	-46.80	90505	-47.08
JPYINR	67830	-8.69	328.59	-42.12	52041	-41.92

CURRENCY UPDATES

- DOLLAR INDEX**-the U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was down 0.1% to 96.06, after climbing to a 13-month high of 96.39 on Monday. The yen was lower against the dollar, with USD/JPY rising 0.4% to trade at 111.10, off a 1-1/2-month low of 110.10 touched on Monday.
- EUR/USD**- After moving to the 1.1430 area earlier in the session, EUR/USD has now faded that spike and returned to the 1.1385/80 band, or daily lows. EUR/USD under pressure below 1.1400 The pair has now returned to the negative territory despite the German ZEW survey came in above expectations for the current month. In fact, German Current Conditions and Economic Sentiment improved to 72.6 and -13.7, respectively. However, and according to the survey, the growth outlook on the German economy has deteriorated. In the EMU space, Economic Sentiment came in at -11.1 vs. -16.4 expected and July's -18.7. Still in the euro area, Industrial Production contracted 0.7% MoM and expanded at an annualized 2.5% in June, both prints coming in below forecasts. In the meantime, spot remains under pressure amidst increasing uncertainty around Turkey and the US-China/US-Turkey trade effervescence. EUR/USD has found resistance below the 1.1432 resistance and at the 50, 100 and 200-period simple moving average on the 15-minute chart suggesting that the correction might soon be coming to an end. Bears next objective is to reconquer to 2018 low at 1.1365 in order to drive the market towards 1.1300 figure and 1.1178 June 27, 2017 low. The main resistance is seen at 1.1432 and 1.1483 intraday swing high (August 10). A breakout above 1.1432 would invalidate the bearish scenario in the short-term.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.01	-0.07	69.57	69.79	69.99	70.21	70.41
EUR-INR	79.90	0.20	79.56	79.73	79.90	80.07	80.24
GBP-INR	89.46	0.14	88.88	89.17	89.48	89.77	90.08
JPY-INR	63.14	-0.50	62.65	62.89	63.20	63.44	63.75

CURRENCY IN FOCUS

GBP-INR (Aug)



Technical Strategy: Sell GBP-INR Aug AT 89.45 with SL above 89.65 TP- 89.20/89.00.

Major Economic Data and Events Schedule For 16-08-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
2:00pm	GBP	Retail Sales m/m	0.2%	-0.5%	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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