

Tuesday, 16 October 2018

DOMESTIC MARKET ACTIVITY AS ON 15-10-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	4526319	+0.42	18495.29	-18.68	2496505	-18.91
EURINR	123590	+5.41	726.49	+23.99	84498	+23.68
GBPINR	58284	+8.45	786.37	+2.98	80772	+3.42
JPYINR	39817	+4.25	265.34	+83.17	40002	+81.86

CURRENCY UPDATES

- DOLLAR INDEX-** Monday's US economic docket highlights the key release of monthly retail sales figures, scheduled at 1230 GMT. Consensus estimates point to a solid 0.5% m/m rise in September as against a modest 0.1% m/m growth recorded in the previous month. Meanwhile, core retail sales (excluding automobiles), which advanced 0.3% in August, are projected to have grown by 0.3% on a monthly basis and the closely watched Retail Sales Control Group is seen expanding by 0.4% m/m during the reported period.
- GBP/USD-** The pound was pressured lower on Monday as talks aimed at reaching a Brexit deal ended in a stalemate, while the safe haven yen strengthened as equity markets started the week lower amid ongoing concerns over rising U.S. yields and trade tensions. GBP/USD was down 0.28% to 1.3119 by 04:49 AM ET (08:49 AM GMT), while EUR/GBP was up 0.2% to 0.8810. The pound came under pressure after talks between Britain's Brexit Secretary Dominic Raab and the European Union's chief Brexit negotiator Michel Barnier ended in a stand-off ahead of Wednesday's EU leader's summit. The lack of progress towards a Brexit deal added to a cocktail of geopolitical risks weighing on market sentiment. Markets were watching developments in the euro zone, where Italy's government was expected to approve its new budget, despite criticism from Brussels that it will breach EU fiscal rules. A Bavarian state parliament election on Saturday saw the ruling Christian Social Union party lose its majority, in a blow to German Chancellor Angela Merkel's government. Meanwhile, oil prices were pushed higher by rising diplomatic tensions between Saudi Arabia and the West over the disappearance of a journalist.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	73.94	0.32	73.62	73.78	73.99	74.15	74.37
EUR-INR	85.81	0.42	85.11	85.46	85.78	86.13	86.44
GBP-INR	97.44	0.04	95.84	96.64	97.12	97.92	98.41
JPY-INR	66.19	0.71	65.66	65.92	66.22	66.48	66.78

CURRENCY IN FOCUS

JPY-INR (Oct.)



Technical Strategy: JPY-INR Oct Sell below 66.18 with SL above 66.38 TP-65.90/65.70.

Major Economic Data and Events Schedule For 17-10-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
2:00pm	GBP	Average Earnings Index 3m/y	2.6%	2.6%	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.

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