

Thursday, 17 January 2019

**DOMESTIC MARKET ACTIVITY AS ON 16-01-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2293729	+4.48	18125.63	+10.93	2543030	+10.73
EURINR	84499	+2.27	634.29	+16.48	77932	+16.86
GBPINR	48957	+5.49	1187.70	+4.40	129464	+4.31
JPYINR	53334	+0.99	212.37	-31.96	32311	-32.12

**CURRENCY UPDATES**

- DOLLAR INDEX-** The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was down 0.18% to 95.50. The greenback remained on the back foot after U.S. Trade Representative Robert Lighthizer that he did not see any progress made on structural issues during U.S. talks with China last week. Investors "are mainly focused on the outcome of the U.S.-China trade negotiations, but it may take more than a month before it will become clear," said Ayako Sera, market strategist at Sumitomo Mitsui Trust Bank. "It's hard for market sentiment to turn one way or the other, whether a recovery or decline, as long as it remains unclear what outcome there will be." The dollar was also pressured by diminishing expectations the Federal Reserve will continue raising rates this year due to weakness in global growth. "While the margin of May's loss was a surprise, the defeat itself was something the market had been pricing in for a long time and it appears that participants covered shorts in the pound after the vote," said Yukio Ishizuki, senior currency strategist at Daiwa Securities.
- USD/GBP -** The pound firmed up on Wednesday following a plunge overnight when the UK parliament overwhelmingly voted down Prime Minister Theresa May's Brexit deal, adding to uncertainties surrounding the UK's withdrawal from the European Union. GBP/USD was at 1.2862 by 03:54 AM ET (08:54 AM GMT) after falling as low as 1.2667 late Tuesday. The parliament on Tuesday voted 432-202 against May's deal, the worst parliamentary defeat for a government in recent British history. Sterling had sunk more than 1% against the dollar in the wake of the vote, before rebounding as the sizable defeat for May was seen forcing Britain to pursue different options. Those options could still lead to radically different outcomes, ranging from another referendum that ultimately cancels Brexit to political upheaval that leads to a disorderly one.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	71.34	+0.28	70.87	71.11	71.24	71.47	71.60
EUR-INR	81.39	-0.03	80.81	81.10	81.33	81.63	81.86
GBP-INR	91.78	+0.42	90.99	91.38	91.65	92.05	92.32
JPY-INR	65.63	+0.00	65.35	65.49	65.64	65.78	65.94

**CURRENCY IN FOCUS**

**GBP-INR (Jan)**



**Technical Strategy: GBP-INR Jan. Buy AT 91.70 – 91.65 with SL below 91.50 TP-91.95/92.15.**

**Major Economic Data and Events Schedule For 17-01-2019**

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
Day 1	All	G20 Meetings	-	-	High
8:50am	JPY	BOJ Gov Kuroda Speaks	-	-	-

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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