

Friday, 17 May 2019

**DOMESTIC MARKET ACTIVITY AS ON 16-05-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	3119619	-2.11	11067.69	2.65	1574714	+2.89
EURINR	69191	-2.58	362.28	-26.32	45916	-26.17
GBPINR	57355	+51.88	1152.99	+11.62	127647	+12.45
JPYINR	43652	-12.79	299.14	-0.96	46580	-0.71

**CURRENCY UPDATES**

- DOLLAR INDEX-** The U.S. Dollar Index that tracks the greenback against a basket of other currencies was little changed at 97.340. The greenback was under pressure as U.S. yields slid on weak U.S. April retail sales and industrial output data. News that U.S. may delay tariffs on the auto sector by up to six months had little impact on the dollar today.
- EUR/USD -** EUR/USD continues to have an uneventful week. Currently, the pair is trading at 1.1212, up 0.08% on the day. On the release front, the euro zone trade surplus narrowed to EUR 17.9 billion in March, down from 19.5 billion a month earlier. This was well short of the estimate of EUR 19.0 billion. It's a busy day in the U.S., with the release of building permits, unemployment claims and the Philly Fed Manufacturing Index. On Wednesday, the euro zone releases consumer spending reports, while the U.S. posts UoM Consumer Sentiment. The euro zone economy has been struggling, and even the German locomotive has shown signs of weakness. The manufacturing sectors have been hit particularly hard, as the global trade war has dampened the appetite for German and European exports. The U.S. and China have been holding talks to diffuse trade tensions, but President Trump slapped new tariffs on Chinese products, with China quick to respond with counter-tariffs. Investors are worried if the trade war escalates, Trump could target European cars made in China, which would hurt the massive German auto sector. This has led to sharp losses for German automaker listings on the DAX, which include BMW, Daimler and Volkswagen. On Wednesday, the U.S. announced a 6-month moratorium on tariffs on European and Japanese vehicles, but investors will likely remain nervous that the U.S. could impose further trade sanctions against China. The eurozone economy has been struggling, and even the German locomotive has shown signs of weakness. The manufacturing sectors have been hit particularly hard, as the global trade war has dampened the appetite for German and European exports. The U.S. and China have been holding talks to diffuse trade tensions, but President Trump slapped new tariffs on Chinese products.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.13	-0.43	69.87	70.00	70.21	70.34	70.55
EUR-INR	78.69	-0.33	78.41	78.55	78.79	78.92	79.16
GBP-INR	89.99	-1.07	89.39	89.69	90.25	90.55	91.12
JPY-INR	63.98	-0.66	63.37	63.68	64.23	64.54	65.09

**CURRENCY IN FOCUS**

**USD-INR (May)**



**Technical Strategy:** Sell USD -INR May AT 70.40 -70.42 with SL above 70.55 TP-70.15/70.00.

**Major Economic Data and Events Schedule For 17-05-2019**

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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