

Wednesday, 17 October 2018

DOMESTIC MARKET ACTIVITY AS ON 16-10-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	4424442	-2.25	24648.90	+33.27	3336480	+33.65
EURINR	123044	-0.44	745.01	+2.55	86882	+2.82
GBPINR	54011	-7.33	851.34	+8.26	87391	+8.19
JPYINR	37417	-6.03	210.87	-20.53	31967	-20.09

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar edged higher on Tuesday as firmer U.S. Treasury yields encouraged investors to buy the greenback after a recent drop with investors growing more bullish about its short-term outlook, especially against emerging market currencies. While the dollar has struggled to extend gains against the euro and the sterling in recent days, it has strengthened against its emerging market counterparts and pinned the Chinese yuan to a two-month low. "The dollar's outlook continues to be strong against emerging market currencies due to more expected U.S. rate hikes and the trade conflict between the U.S. and China," said Piotr Matys, a currency strategist at Rabobank in London. Against a basket of its rivals (=USD), the dollar rose 0.1 percent at 95.13. It has fallen 1.2 percent in the last eight sessions to a three-week low. But an emerging market currency index (MIEM00000CUS) was holding near its lowest levels in 1-1/2 years, indicating the divergence of the dollar's performance against its peers..
- GBP/USD-** The pound rose to the day's highs on Tuesday after data showing that wage growth in the UK accelerated at the fastest pace in nearly 10 years in August, bolstering the outlook for the economy. GBP/USD hit a high of 1.3209 and was at 1.3194 by 04:57 AM ET (08:58 AM GMT), up 0.33% for the day. Average earnings, excluding bonuses, rose by an annual 3.1% in the three months to August, the Office of National Statistics reported. It was the fastest increase since Jan. 2009. Including bonuses, pay growth rose by an annualized 2.7%, the quickest growth since February. The annual rate of inflation in the UK was 2.5% in August, indicating only a modest boost to workers spending power. The unemployment rate held as expected at 4.0% in August. "People's regular monthly wage packets grew at their strongest rate in almost a decade but, allowing for inflation, the growth was much more subdued. The number of people in work remained at a near record high, while the unemployment rate was at its lowest since the mid-1970s", said ONS head of labor market David Freeman.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	73.57	-0.50	73.23	73.40	73.73	73.89	74.22
EUR-INR	85.31	-0.58	84.80	85.06	85.44	85.69	86.07
GBP-INR	97.31	-0.13	96.90	97.10	97.35	97.56	97.80
JPY-INR	65.74	-0.68	65.41	65.57	65.88	66.04	66.35

CURRENCY IN FOCUS

USD-INR (Oct.)



Technical Strategy: USD-INR Oct sell AT 73.65 73.70 with SL above 73.90 TP-73.35/73.10.

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

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
2:00pm	GBP	CPI y/y	2.6%	2.7%	Low
Day 1	EUR	EU Economic Summit	-	-	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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