

Thursday, 18 July 2019

**DOMESTIC MARKET ACTIVITY AS ON 17-07-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	NA	NA	NA	NA	NA	NA
EURINR	-	-	-	-	-	-
GBPINR	-	-	-	-	-	-
JPYINR	-	-	-	-	-	-

**CURRENCY UPDATES**

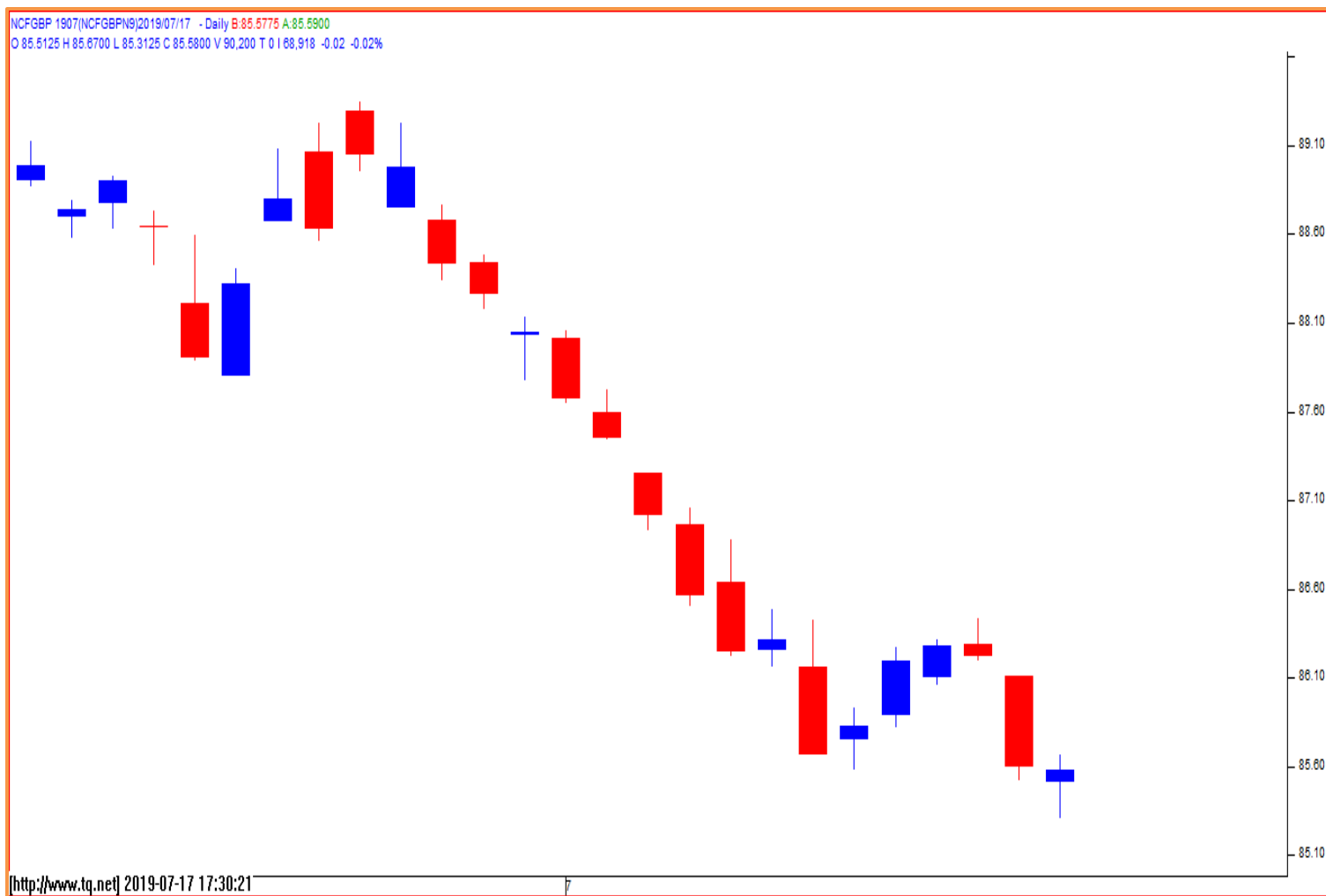
- DOLLAR INDEX-** The U.S. dollar rose on Wednesday in Asia on the back of the release of strong retail sales data, while the pound traded near two-year low on Brexit concerns. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, gained 0.4% to 96.922 by 1:24 AM ET (05:24 GMT). Retail sales rose 0.4% in June, the Commerce Department reported on Tuesday, compared to expectations for a slight gain of 0.1%. The stronger-than-expected retail sales showed the economy were healthy and tempered expectations of aggressive policy easing by the Federal Reserve later this month. Meanwhile, the pound inched up 0.1% against the U.S. dollar but still traded near its lowest level in two years amid concerns of a no-deal Brexit. Both Prime Minister candidates Jeremy Hunt and Boris Johnson have voiced their opposition to an Irish backstop agreement, making it even more likely that the U.K. will leave the European Union on Oct. 31 without a deal.
- EUR/USD-** EUR/USD is getting lifted from the psychological 1.1200 handle with aid of better than expected CPI data out of the Euro area. Euro stat reported the Consumer Price Index to rise 1.3% in its final reading today. While this beat the consensus forecast, it is down from 2.0% a year earlier. Market participants were closely following the data release as an inflation miss would have likely led to speculation that the ECB would follow the Fed in looking at easing monetary policy. There are still several concerns that could cause the ECB to announce a notable shift in stance regarding monetary policy at their next policy meeting. The same weak global growth that the Fed is looking at, for example, stands to impact Europe in the same way that it would the US. The markets are still considering how the Fed will act at their next meeting which is scheduled at the end of the month. Words from Fed member Evans stirred expectations of a deep cut last week. Yesterday, he commented that he expected a half percent cut by the end of the year. He added that if the intention was to cut 50 basis point, a case could be made to make it happen right away so that inflation starts to rise sooner.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	68.92	+0.16	68.61	68.77	68.87	69.02	69.12
EUR-INR	77.44	+0.11	77.09	77.27	77.38	77.56	77.67
GBP-INR	85.61	+0.01	85.17	85.39	85.53	85.75	85.89
JPY-INR	63.72	-0.11	63.54	63.63	63.71	63.80	63.88

CURRENCY IN FOCUS

GBP-INR (July)



**Technical Strategy: Buy GBP-INR July AT 77.85.30- 85.35 with SL above 85.15 TP-85.60/85.80.**

Major Economic Data and Events Schedule For 16-07-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
2:00pm	GBP	Retail Sales m/m	-0.3%	-0.5%	High
Day 2	All	G7 Meetings	-	-	-

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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Arihantis Forbes Asia's '200 Best under a \$Billion' Company  
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