

Tuesday, 18 September 2018

DOMESTIC MARKET ACTIVITY AS ON 17-09-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	4088466	+0.72	22689.34	-12.18	3123005	-13.08
EURINR	148558	+0.24	717.46	-5.92	84750.00	-6.40
GBPINR	72340	+4.67	730.08	-4.84	76776	-5.56
JPYINR	53882	+2.28	348.28	25.27	53637	+24.11

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar edged lower against its major rivals on Monday, amid renewed fears over an escalating trade war between the world's two largest economies. With little data on the economic calendar, market focus will largely be attuned to the next potential steps in the tit-for-tat trade dispute between the U.S. and China. U.S. President Donald Trump is likely to announce new tariffs on about \$200 billion on Chinese imports as early as Monday, a senior administration official told Reuters. The tariff level will probably be about 10%, the Wall Street Journal reported, quoting people familiar with the matter. This is below the 25% the administration said it was considering for this possible round of tariffs. The WSJ also reported that China may decline to attend trade talks due next week as Beijing won't negotiate under threat. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, dipped 0.15% to 94.34 by 4:35AM ET (08:40GMT), its lowest level since the end of August.
- USD/JPY-** The USD/JPY pair reversed an early European session dip to an intraday low level of 111.85 and is now headed towards the top end of its daily trading range. The pair managed to catch some fresh bids and seemed rather unaffected by the prevalent weaker tone surrounding the US Dollar, with bulls taking cues from a sudden pickup in the US Treasury bond yields. Adding to this, a modest rebound across European equity markets dented the Japanese Yen's safe-haven status and further collaborated to the pair's intraday steady climb of around 20-25 pips. Meanwhile, the US President Donald Trump's comments, via Twitter, hinted towards a possible announcement of the new US tariff later during the day, albeit did little to influence the price action. Despite a goodish uptick, the pair remains below the 112.15 immediate strong hurdle and hence, it would be prudent to wait for a strong follow-through buying before positioning for any further near-term up-move.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	72.58	0.89	72.17	72.38	72.57	72.78	72.98
EUR-INR	84.65	0.50	83.85	84.25	84.49	84.89	85.13
GBP-INR	95.17	0.81	94.50	94.83	95.02	95.35	95.54
JPY-INR	64.78	0.70	64.21	64.50	64.89	65.17	65.56

CURRENCY IN FOCUS

USD-INR (Sep.)



Technical Strategy: Buy GBP-INR Sep AT 95.00 with SL below 94.80 TP- 95.25/95.45.

Major Economic Data and Events Schedule For 18-09-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
12:45pm	EUR	ECB President Draghi Speaks	-	-	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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