

Tuesday, 19 March 2019

DOMESTIC MARKET ACTIVITY AS ON 18-03-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2361249	+0.60	20984.86	+7.56	3049458	+8.36
EURINR	72490	-0.85	412.24	+9.01	52774	+s9.64
GBPINR	57699	+3.41	970.15	-9.51	106258	-8.99
JPYINR	42654	-0.16	125.47	-18.65	20307	-18.14

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar index, which measures the greenback against a basket of six major currencies, fell below 96.00 for the first time this month to stand at 95.88. The Fed's policy-making Federal Open Markets Committee meets on Tuesday and Wednesday, and chairman Jerome Powell will be asked afterwards whether 'patience' – a byword for holding off from further rate hikes – is enough to support the economy any more.
- USD/JPY -** The Dollar/Yen is trading flat on Monday, which comes as no surprise. This is typical movement in the Forex pair ahead of a major U.S. Federal Reserve announcement like the one this Wednesday. The major players are usually reluctant to take a position ahead of the meeting because this meeting is especially complex. At 10:26 GMT, the USD/JPY is trading 111.467, down 0.001 or -0.00%. Following its two-day meeting which begins on Tuesday, the Fed will announce its interest rate decision, its monetary policy statement and the Federal Open Market Committee will offer new economic projections. Additionally, Fed Chair Jerome Powell is scheduled to hold a news conference. The only certainty at this month's Fed meeting is the central bank is not expected to raise interest rates. Currently, its benchmark rate stands at 2.25 to 2.50 percent. Furthermore, the Fed is expected to stick with its mantra of "patience" on monetary policy. The current action in the financial futures markets indicates that 100% of traders expect the Fed to stand pat on rates. More than 50% of traders expect to see at least one rate hike, while about 10% do not expect any rate hike. About 2% think the Fed could raise rates two times. Given these numbers, traders are not likely to focus on what the Fed does in March, but rather how it stands on two, one or even zero rate hikes. This information will move the USD/JPY.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	68.61	-0.90	68.19	68.40	68.72	68.94	69.26
EUR-INR	78.02	-0.58	77.56	77.79	78.09	78.32	78.63
GBP-INR	91.13	-0.77	90.20	90.67	91.33	91.80	92.46
JPY-INR	61.65	-0.64	61.27	61.46	61.73	61.92	62.19

CURRENCY IN FOCUS

USD-INR (Mar)



Technical Strategy: Sell USD-INR Mar AT 68.70 – 68.72 with SL above 68.85 TP-68.50/68.35.

Major Economic Data and Events Schedule For 19-03-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
3:00pm	GBP	Average Earnings Index 3m/y	3.2%	3.4%	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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