

Friday, 19 July 2019

DOMESTIC MARKET ACTIVITY AS ON 18-07-2019

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 was slightly weaker against a currency basket on Thursday as lower U.S. yields and a recovery in the British pound weighed. The U.S. dollar index versus a basket of six major currencies dipped to 96.76 by 02:49 AM ET (06:49 GMT) after shedding 0.2% on Wednesday. The index had climbed to a one-week high of 97.44 on Wednesday on stronger-than-expected U.S. retail sales and a slump in sterling. But it reversed course as Treasury yields fell following weak U.S. housing market data. Concerns over the ongoing U.S.-China trade war also weighed after the Wall Street Journal reported that progress toward a deal had stalled. "The dollar basically handed back earlier gains as Treasury yields pulled back and on IMF comments, and came back to where it was a few days ago," said Takuya Kanda, general manager at Gaitame.Com Research Institute. Various economic data have given conflicting signs regarding the state of the U.S. economy, but that does not change the bigger picture of the dollar facing downward pressure due to an impending rate cut by the Federal Reserve, Kanda said. The IMF on Wednesday said the greenback was overvalued by 6% to 12%, based on near-term economic fundamentals. The Fed is widely expected to cut interest rates by 0.25% at its July meeting, with some in the market pricing in a larger 0.5% rate cut. The British pound was almost unchanged at 1.2432. It hit a low of 1.2382 in the previous day, its weakest level since April 2017 amid growing fears over the prospect of a no-deal Brexit, before selling abated.
- USD/JPY-** The USDJPY moved lower in the Asian session, helped by technical's and lowers stocks (after Netflix surprise numbers). The pair fell below the low from Friday and Monday at 107.798 areas and extended down to 107.612. That fell short of the July 3 lows at 107.53-557 area. The run higher has now taken the price back above a broken trend line at 107.90 areas, is above the close now and approaches the 100 hour MA at 108.006. The MA should put a stall on the rally with a battle between 106.90 to 107.00 the next fight.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.01	0.13	68.67	68.84	68.95	69.12	69.24
EUR-INR	77.49	0.07	77.27	77.38	77.52	77.63	77.76
GBP-INR	86.20	0.70	85.42	85.81	86.04	86.43	86.66
JPY-INR	64.01	0.45	63.66	63.83	63.99	64.16	64.32

CURRENCY IN FOCUS

GBP-INR (July)



Technical Strategy: Buy GBP-INR July AT 86.05 -86.00 with SL below 85.85 TP-86.30/86.50.

Major Economic Data and Events Schedule For 19-07-2019

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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