

Wednesday, 19 September 2018

**DOMESTIC MARKET ACTIVITY AS ON 18-09-2018**

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 flat against other currencies on Tuesday as the White House imposed fresh tariffs on China. U.S. President Donald Trump announced on Monday that the U.S. will put 10% tariffs on \$200 billion in Chinese goods, which will go up to 25% at the end of the year. Trump added that "if China takes retaliatory action against our farmers or other industries, we will immediately pursue phase three, which is tariffs on approximately \$267 billion of additional imports." "We have been very clear about the type of changes that need to be made, and we have given China every opportunity to treat us more fairly," he said in the statement. "But, so far, China has been unwilling to change its practices." China has said it will retaliate against the new tariffs. The U.S. had extended an invitation to China to discuss trade later this month but China is likely to cancel. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was flat at 94.09 as of 5:05 AM ET (9:05 GMT).
- GBP/USD-** Expectation for GBP to trade sideways yesterday was wrong as it staged a surprisingly strong up-move and hit an overnight high of 1.3165. The subsequent strong daily closing in NY (1.3161) suggests there is scope for the rally to extend higher and while a move above the strong 1.3165/70 resistance would not be surprising, the prospect for a clear break of the next resistance at 1.3215 is low. On the downside, only a break below 1.3095 would indicate that a short-term top is in place (minor support is at 1.3125)". Next 1-3 weeks: "We have held the same view since last Tuesday (11 Sep, spot at 1.3025) wherein we expect the rebound in GBP to extend to 1.3170. After about a week, GBP finally touched a high of 1.3165 during overnight NY hours. While the advance in GBP is approaching overbought levels, there is no sign of weakness just yet and there is scope for further strength towards next major level of 1.3215. This is a relatively strong resistance and a break of this level would be a good indication that GBP could continue to advance in the coming days. On the downside, the 'key support' is currently at 1.3045, higher from 1.3000 previously".

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	72.93	0.48	72.18	72.55	72.80	73.17	73.41
EUR-INR	85.37	0.84	84.49	84.93	85.16	85.59	85.82
GBP-INR	95.81	0.68	94.99	95.40	95.68	96.09	96.37
JPY-INR	65.10	0.49	64.29	64.69	64.97	65.38	65.66

**CURRENCY IN FOCUS**

**EUR-INR (Sep.)**



**Technical Strategy: Buy EUR-INR Sep AT 85.15 with SL below 84.95 TP- 85.40/85.60.**

**Major Economic Data and Events Schedule For 19-09-2018**

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
Tentative	JPY	Monetary Policy Statement	-	-	High
-	-	BOJ Press Conference	-	-	High
2:00pm	GBP	CPI y/y	2.4%	2.5%	Medium
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.

**Contact**

SMS: 'Arihant' to 56677

**Website**[www.arihantcapital.com](http://www.arihantcapital.com)**Email Id**[research@arihantcapital.com](mailto:research@arihantcapital.com)

Arihantis Forbes Asia's '200 Best under a \$Billion' Company  
'Best Emerging Commodities Broker' awarded by UTV Bloomberg

**Disclaimer:** This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

## Arihant Capital Markets Ltd

Commodity/Currency Research Desk: 6, Lad Colony, Y.N. Road Indore-3

T: 0731-4217191. Fax: 0731-4217103

Corporate Office: 1011, Solitaire Corporate Park, Building No.10, 1st Floor,

Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093

D. +91.22.42254800 and 67114800

[www.arihantcapital.com](http://www.arihantcapital.com)