

Thursday, 20 December 2018

DOMESTIC MARKET ACTIVITY AS ON 19-12-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2214033	+1.11	21127.07	+2.08	3006276	+3.25
EURINR	83846	+0.52	556.86	+4.06	69409	+4.94
GBPINR	39783	+4.44	834.05	+4.33	93600	+5.30
JPYINR	29825	-5.83	146.35	-49.33	23350	-48.75

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar fell on Wednesday as investors bet that the Federal Reserve would signal plans to slow its pace of interest rate raises at a keenly-watched meeting later in the day. Fed policy makers are widely tipped to raise rates for a fourth time this year but also to express caution about future monetary tightening due to concern about slowing global growth. Expectations of a pause from the Fed amid a U.S.-China trade conflict and global financial market volatility has led some investors to question if the dollar's stellar run will continue into 2019. U.S. President Donald Trump has repeatedly berated the Fed and on Tuesday said in a Tweet it was "incredible" for the central bank to even consider tightening given global economic uncertainties. "A hike is still likely, regardless of Trump's displeasure, but there's a very good chance that they will reduce the number of hikes in 2019 to two (from three)," said Kit Juckes, global head of FX strategy at Societe Generale (PA:SOGN). The safe-haven yen and the Swiss franc both strengthened as an overnight plunge in oil prices provided a stark reminder of the dimming prospects for the global economy. Risk sentiment has been soured by weaker-than-expected economic data out of China and the euro zone. The yen and the Swiss franc each added a little more than 0.1 percent on the dollar, changing hands at 112.33 and 0.9916 respectively, building on three consecutive days of gains. The dollar index (DXY) was down 0.3 percent at 96.77, hovering near a one-week low as it extended losses into the second da.
- EUR/USD/JPY** - the greenback was weaker against the yen, with USD/JPY losing 0.15% to trade at 112.35. It earlier reached the lowest since Oct. 29 at 112.60. The euro pushed higher, with EUR/USD rising 0.35% to 1.1400, its best level since Dec. 10. The pound was also higher, with GBP/USD advancing 0.15% to 1.2660 amid an ongoing political deadlock over Britain's efforts to exit the European Union.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.43	-0.13	69.67	70.05	70.30	70.68	70.93
EUR-INR	80.45	-0.21	79.43	79.94	80.23	80.74	81.04
GBP-INR	89.16	-0.49	88.46	88.81	89.06	89.41	89.65
JPY-INR	62.80	-0.32	62.15	62.48	62.68	63.00	63.20

CURRENCY IN FOCUS

GBP-INR (Dec.)



Technical Strategy: GBP-INR Dec. Buy above 89.16 with SL below 88.96 TP-89.46/89.66.

Major Economic Data and Events Schedule For 20-12-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
Tentative	JPY	Monetary Policy Statement	-	-	High
-	-	BOJ Press Conference	-	-	
3:00pm	GBP	Retail Sales m/m	0.3%	-0.5%	
5:30pm	-	MPC Official Bank Rate Votes	0-0-9	0-0-9	Flat
-	-	Monetary Policy Summary			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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