

Friday, 21 September 2018

DOMESTIC MARKET ACTIVITY AS ON 19-09-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	4202980	-1.16	31005.14	+9.58	4262847	+9.56
EURINR	140312	-4.62	905.57	+8.86	106391	+8.82
GBPINR	69535	-0.91	1396.08	+62.03	145782	+61.81
JPYINR	48790	-7.15	399.34	+24.91	61562	+25.09

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar edged lower against its major rivals on Thursday, hovering around its lowest level in eight weeks as investors set aside trade concerns for now. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was down 0.15% at 93.97 by 3:45AM ET (0845GMT), not far from Tuesday's low of 93.88, which was the weakest since July 26. Global markets appear to be shrugging off concerns over and escalating trade war between the U.S. and China. On Monday, the U.S. slapped tariffs of 10% on \$200 billion in Chinese goods, before they rise to 25% by the end of 2018, rather than an outright 25%. China retaliated by putting tariffs on \$60 billion in U.S. goods. However, China will put a 10% tariff on some goods it had previously earmarked for a 20% levy.
- EUR/USD-** The EUR/USD pair finally managed to make it through an important barrier and spiked to the highest level since early July, above mid-1.1700s. Despite an intraday rebound in the US Treasury bond yields, the US Dollar kept losing ground through the mid-European session and was seen as one of the key factors driving the pair higher. Adding to this, possibilities of some short-term trading stops being triggered above the 1.1720-25 supply zone seems to have further collaborated towards accelerating the positive momentum over the past hour or so. Apart from broad-based USD weakness, and some technical momentum, the up-move lacked any obvious fundamental catalyst and hence, it would be prudent to wait for a strong follow-through buying before positioning for any further appreciating move. Next on tap will be the US economic docket, featuring the release of Philly Fed Manufacturing Index, usual initial weekly jobless claims and existing home sales data, which will be looked upon for some short-term trading opportunities.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	72.42	-0.70	72.00	72.21	72.60	72.81	73.20
EUR-INR	84.73	-0.74	84.17	84.45	84.89	85.17	85.61
GBP-INR	95.27	-0.57	94.27	94.77	95.48	95.98	96.70
JPY-INR	64.53	-0.87	64.21	64.37	64.65	64.81	65.09

CURRENCY IN FOCUS

EUR-INR (Sep.)



Technical Strategy: Sell EUR-INR Sep AT 84.85 with SL below 85.05 TP-84.55/84.35.

Major Economic Data and Events Schedule For 21-09-2018

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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