

Friday, 21 December 2018

DOMESTIC MARKET ACTIVITY AS ON 20-12-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2228856	+0.67	24045.64	+13.81	3423806	+13.89
EURINR	85920	+2.47	737.26	+32.40	91718	+32.14
GBPINR	45330	+13.94	890.20	+6.73	100027	+6.87
JPYINR	33954	+13.84	272.14	+85.95	43323	+85.54

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar fell toward a 10-day low on Thursday against its rivals as concerns grew the United States may be heading for a sharp economic slowdown next year despite the Federal Reserve raising interest rates for the fourth time in a year. Although U.S. policymakers have said they may raise interest rates three times by early 2020, the U.S. bond yield curve -- a widely considered indicator of future recessions -- flattened to 10 basis points and just a shade above a 11-year low set earlier this month. An inversion of the bond yield curve is considered a sign of economic recession with longer-term yields falling below shorter-dated maturities and those concerns triggered a global selloff in risky.
- EUR/USD -** The USD remained heavily offered across the board, pushing the EUR/USD pair to over one-month tops and closer to the key 1.1500 psychological mark. The not so dovish Fed monetary policy outlook for 2019, now foreseeing two rate hikes, led to a rise in short-term interest rates. This coupled with a fall in the long-dated yields revived fears of an inversion in the yield curve, seen as a reliable indicator of a recession down the road, and was seen affecting negatively on the US Dollar. The pair regained positive traction for the fourth consecutive session on Thursday and continued scaling higher through the mid-European session. Meanwhile, the latest leg of a sudden pickup over the past few hours could further be attributed to some short-covering move, following a sustained move beyond the previous session's swing high. With today's strong up-move, the pair finally seems to have confirmed a near-term bullish breakthrough the crucial 55-day SMA hurdle. Hence, a follow-through up-move, led by some fresh technical selling amid absent relevant market moving economic releases from the US, now looks a distinct possibility.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.73	-1.00	68.99	69.36	70.06	70.42	71.12
EUR-INR	80.02	-0.53	79.63	79.83	80.20	80.40	80.77
GBP-INR	88.58	-0.66	88.06	88.32	88.84	89.10	89.62
JPY-INR	62.49	-0.50	62.12	62.30	62.66	62.85	63.21

CURRENCY IN FOCUS

EUR-INR (Dec.)



Technical Strategy: EUR-INR Dec. Sell below 80.00 with SL above 80.20 TP-79.70/79.50.

Major Economic Data and Events Schedule For 21-12-2018

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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