

Wednesday, 22 May 2019

DOMESTIC MARKET ACTIVITY AS ON 20-05-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2831648	+2.17	11072.12	-38.61	1585230	-38.75
EURINR	62909	+5.43	323.24	-51.82	41428	-51.90
GBPINR	61239	+7.65	1090.71	+14.75	122790	+14.79
JPYINR	35391	+3.91	181.94	-54.55	28685	-54.62

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar hit a fresh three-week high against its developed-market peers in early trading in Europe Tuesday, after Federal Reserve Chairman Jerome Powell indirectly argued against cutting interest rates in the near term due to the already-high level of corporate debt. "Business debt has clearly reached a level that should give businesses and investors reason to pause and reflect," Powell said at a conference, noting that corporate borrowing at a record level of around 35% of corporate assets. Even so, he pushed back against suggestions that the corporate debt situation resembled the days before the financial crisis in 2007, saying the comparison was "not fully convincing". At 03:00 AM ET (0700 GMT), the dollar index, which measures the greenback against a basket of six major currencies, was at 97.928, having hit 97.953 earlier, its highest level since April 26. In part, that reflected a sharp rise against the Aussie and kiwi after Reserve Bank of Australia Governor Philip Lowe said the bank would examine the case for cutting its cash rate at its next policy meeting in June.
- USD/JPY -** The USDJPY has moved above its 100 day MA at the 110.489 level. The USDJPY fell below the key MA back on May 7th (at 110.63) and spent the next 5 days trending to the recent low at 109.01. The price today has moved up to 110.56, with the next upside target at a topside trend line at 110.67. The 50% of the move down from the April 24 high comes in around the area at 110.70. On a break of those levels, there remains a gap at the 110.95-111.05 area from May 3 to May 6th weekend gap. That was the weekend that Pres. Trump said that he would impose new tariffs on China. On the downside, the 38.2% of the move down was broken at 110.30. That is also near the high from yesterdays trading. Below that is an upward sloping trend line. The low today based at that trend line before moving higher. That trend line comes in at 110.10 and moving higher.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.78	-0.03	69.61	69.70	69.79	69.87	69.96
EUR-INR	77.87	-0.13	77.65	77.76	77.92	78.03	78.19
GBP-INR	88.63	-0.40	88.30	88.47	88.73	88.90	89.16
JPY-INR	63.31	-0.40	63.09	63.20	63.35	63.46	63.61

CURRENCY IN FOCUS

EUR-INR (May)



Technical Strategy: Sell EUR -INR May AT 77.90 -77.92 with SL above 78.10 TP-77.65/77.45.

Major Economic Data and Events Schedule For 22-05-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
2:00pm	GBP	CPI y/y	2.2%	1.9%	High
-	-	Inflation Report Hearings	-	-	

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

Websitewww.arihantcapital.com**Email Id**research@arihantcapital.com

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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