

Thursday, 23 May 2019

DOMESTIC MARKET ACTIVITY AS ON 21-05-2019

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 hovering near one-month highs against a currency basket on Wednesday, supported by higher U.S. Treasury yields after the U.S. temporarily eased restrictions on Chinese telecommunications giant Huawei. The move came as a reprieve for markets which had been roiled by fears over the escalating trade war between Washington and Beijing but investor sentiment remained subdued as investors monitored the increasing involvement of tech companies in the trade spat. "The trade dispute won't be resolved easily, so the risk-off mood won't come off all of a sudden. I think market sentiment will rather improve one small step at a time," said Ayako Sera, market strategist at Sumitomo Mitsui Trust Bank. At 03:30 AM ET (0730 GMT), the dollar index, which measures the greenback against a basket of six major currencies, was at 97.942, just below Tuesday's peaks of 97.953, the highest level since April 26. The index is up 2% year to date.
- EUR/USD** - EUR/USD has ticked higher on Wednesday. Currently, the pair is trading at 1.1171, up 0.08% on the day. On the release front, there are no major German or euro zone events. It's a quiet day in the U.S. as well. Today's highlight is the minutes of the Federal Reserve's policy meeting earlier in May. Thursday will be busy, as Germany releases GDP and Ifo Business Climate. The euro zone and Germany release service and manufacturing PMIs, while the ECB posts the minutes of the April meeting. The U.S. releases unemployment claims. With a dearth of data so far this week, it's no surprise that the euro has shown a lack of movement. The currency could get a wake-up call, starting with the release of the Fed minutes later in the day. At the May meeting, the Federal Reserve maintained the benchmark rate for a fourth straight month. The rate statement noted that inflation pressures remain muted and that the FOMC would remain patient regarding future rate movements. Jerome Powell reinforced this stance after the meeting, saying that "we don't see a strong case for moving in either direction".

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.73	-0.08	69.55	69.64	69.75	69.84	69.96
EUR-INR	77.94	+0.09	77.76	77.85	77.93	78.02	78.10
GBP-INR	88.32	-0.34	87.82	88.07	88.47	88.72	89.12
JPY-INR	63.19	-0.18	62.96	63.07	63.20	63.32	63.44

CURRENCY IN FOCUS

USD-INR (May)



Technical Strategy: Sell USD -INR May AT 69.75 – 69.77 with SL above 69.90 TP-69.50/69.30.

Major Economic Data and Events Schedule For 23-05-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
12:45pm	EUR	French Flash Services PMI	50.7	50.5	High
1:00pm	-	German Flash Manufacturing PMI	44.9	44.4	
-	-	German Flash Services PMI	55.2	55.7	

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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