

Thursday, 23 August 2018

DOMESTIC MARKET ACTIVITY AS ON 21-08-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	3542699	-0.31	15154.42	-2.32	2170305	-2.23
EURINR	122723	+16.81	848.14	+46.87	105312.00	+45.63
GBPINR	71752	+2.72	663.68	+15.51	74089	+14.87
JPYINR	75811	+13.71	441.36	+70.30	69502	+69.48

CURRENCY UPDATES

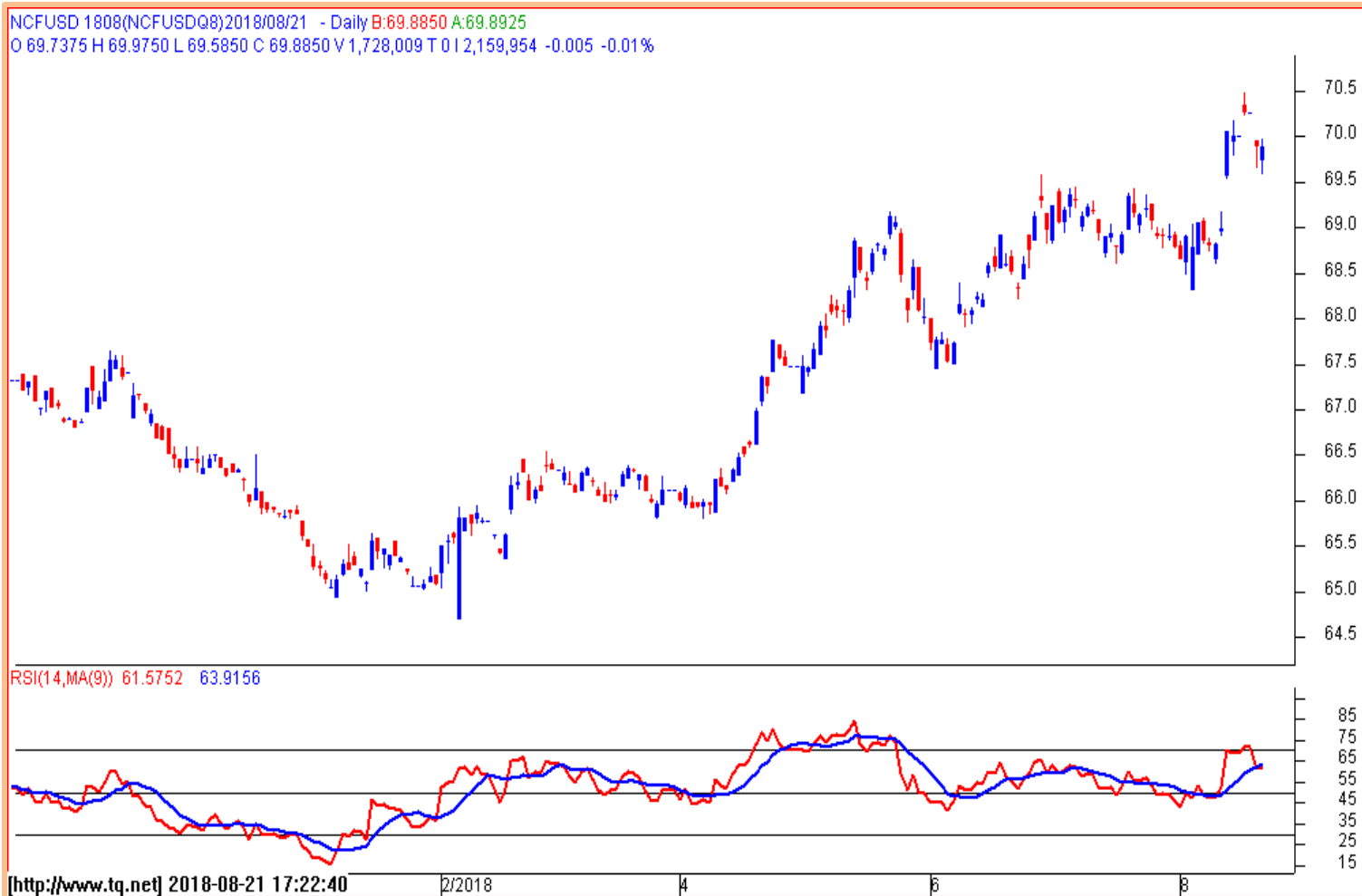
- DOLLAR INDEX**-The dollar edged higher against a basket of the other major currencies on Wednesday as investors awaited the outcome of trade talks between China and the U.S. this week and monitored growing political risks in the U.S. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, edged up 0.13% to 95.26 by 04:03 AM ET (08:03 AM GMT) after falling 0.69% the previous day. Market sentiment has been boosted by the revival of trade talks between Washington and Beijing. Investors hope the talks will ease trade tensions between the world's two largest economies, even after U.S. President Donald Trump played down the prospects of any imminent success. Hopes for progress on trade were offset by concerns over U.S. political developments overnight. Trump's former personal lawyer Michael Cohen possibly implicated the president on legal issues and Trump campaign chairman Paul Manafort was convicted on criminal counts in the first trial to come as a result of special counsel Robert Mueller's Russia probe. The dollar had already come under pressure after Trump said Monday that he was "not thrilled" with Fed Chairman Jerome Powell for raising interest rates. Trump nominated Powell to succeed former Fed Chair Janet Yellen earlier this year. The Fed has been hiking rates and is expected to continue doing so, with another two increases expected this year. The Fed was to publish the minutes of its August meeting later in the day, with investors on the lookout for any tweaks to its outlook on inflation, the economy and trade war fears. On Friday, Powell is to make his first appearance as Fed chairman at the annual economic symposium in Jackson Hole.
- EUR/USD**- The euro was a touch lower against the dollar, with EUR/USD dipping 0.11% to 1.1557. The single currency rallied 1.09% against the dollar on Tuesday, hitting a one-and-a-half week high of 1.1600. The euro has rebounded since plunging 13-month lows against the dollar last week amid fears over contagion effects on European banks from Turkey's currency crisis.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.89	0.04	69.42	69.65	69.82	70.05	70.21
EUR-INR	80.57	0.94	79.91	80.24	80.43	80.76	80.94
GBP-INR	89.73	0.60	89.12	89.43	89.61	89.91	90.09
JPY-INR	63.45	0.42	63.09	63.27	63.37	63.55	63.66

CURRENCY IN FOCUS

USD-INR (Aug)



Technical Strategy: Sell USD-INR Aug below 69.95 with SL above 70.15 TP- 69.75/69.55.

Major Economic Data and Events Schedule For 21-08-2018

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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