

Tuesday, 23 October 2018

DOMESTIC MARKET ACTIVITY AS ON 23-10-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	3988034	-1.52	16950.91	-0.86	2307193	-0.75
EURINR	112609	-0.19	677.70	-8.79	79990	-9.12
GBPINR	43350	-4.74	630.65	-26.00	65736	-26.01
JPYINR	38029	+1.88	175.16	+9.00	26853	+9.48

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar slipped lower against a currency basket on Monday, while the euro pushed higher even as Italy prepared to see its proposed budget for 2019 rejected by the European Union for breaching borrowing targets. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was down 0.10% to 95.28 by 03:50 AM ET (07:50 AM GMT). Market sentiment was boosted after Chinese stocks staged the strongest rally in three years overnight after the government pledged to support the economy, which has been hit by the trade war between Washington and Beijing. But investors remained wary amid an ongoing row between Italy's government and the EU over Rome's 2019 draft budget, which the European Commission has slammed as an unprecedented breach of EU fiscal rules. Reuters reported Sunday that Rome expects the EC to request Tuesday that it revise its planned budget, but the government has pledged to stick with its spending plans. Ratings agency Moody's downgraded Italy's credit rating late Friday amid concerns over the planned increase in the country budget deficit, but maintained a stable rating, meaning another downgrade isn't imminent.
- EUR/USD-** EUR/USD has steadied on Monday, after posting considerable gains in the Friday session. Currently, the pair is trading at 1.1499, down 0.13% on the day. The sole event is the German Bundesbank monthly report. On Tuesday, Germany releases PPI and euro zone consumer confidence. The euro ended the week with considerable gains, boosted by a strong euro zone current account and soft U.S housing numbers. Euro zone current account surplus climbed from EUR 21.3 billion to 23.9 billion, crushing the estimate of EUR 21.4 billion. This marked a 4-month high. In the U.S, Existing Home Sales slipped to 5.15 million, down from 5.34 million a month earlier. This was the smallest lowest existing home sales level since November 2015.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	73.57	0.30	73.09	73.33	73.47	73.71	73.85
EUR-INR	84.66	0.49	84.18	84.42	84.60	84.83	85.01
GBP-INR	95.85	0.21	95.52	95.69	95.87	96.03	96.22
JPY-INR	65.24	-0.03	64.49	64.87	65.08	65.46	65.67

CURRENCY IN FOCUS

GBP-INR (Oct.)



Technical Strategy: GBP-INR Oct sell below 96.60 with SL above 96.80 TP-96.30/96.10.

Major Economic Data and Events Schedule For 23-10-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
8:50pm	GBP	BOE Gov Carney Speaks	-	-	High

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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