

Wednesday, 24 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	NA	NA	NA	NA	NA	NA
EURINR	-	-	-	-	-	-
GBPINR	-	-	-	-	-	-
JPYINR	-	-	-	-	-	-

**CURRENCY UPDATES**

- DOLLAR INDEX-** The dollar index (DXY), a gauge of its value against six other major currencies, rose to a two-month high of 96.158 and traded up 0.1 percent. That was due to the turbulence in Europe continent and expectations that a strong U.S. economy may see the Federal Reserve raise rates faster than assumed. Britain's pound traded up 0.2 percent at \$1.3 after falling on Monday on fears that the Irish border issue and disagreements within Britain's ruling Conservatives over Brexit could see Prime Minister Theresa May face a serious leadership challenge. "Whispers of a growing number of Tory MP Rebels losing their patience with May have put the risks of a lengthy UK political impasse and a Brexit policy mistake (exiting the EU without a deal) back on the table," said Viraj Patel, a currency strategist at ING. "We think this noise is likely to keep the pound on the back foot this week," he said. The dollar weakened 0.4 percent against the Japanese yen to trade at 112.32 yen, gaining as risk-shy investors retreated from Asia's main share markets.
- USD/JPY-** The yen strengthened on Tuesday as a slew of geopolitical risk factors bolstered safe haven demand for the Japanese currency, while the dollar dipped against a currency basket. A rally in Chinese equities reversed overnight, pulling down European stocks and U.S. futures amid renewed worries over a host of economic and geopolitical issues, including U.S. President Donald Trump's threats to pull out of the US-Russia nuclear arms agreement, U.S. midterm elections and fallout from the murder of Saudi critic Jamal Khashoggi. Concerns over the U.S.-China trade war and political uncertainty in Europe also weighed. The dollar weakened against the yen, with USD/JPY down 0.38% to 112.37 by 03:56 AM ET (07:56 AM GMT). The Japanese currency is often sought by investors for its relative safety during periods of economic or geopolitical uncertainty.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	73.60	0.04	73.33	73.46	73.67	73.80	74.01
EUR-INR	84.39	-0.31	83.93	84.16	84.58	84.81	85.22
GBP-INR	95.57	-0.29	95.31	95.44	95.64	95.77	95.97
JPY-INR	65.58	0.52	65.31	65.45	65.59	65.72	65.86

**CURRENCY IN FOCUS**

**USD-INR (Oct.)**



**Technical Strategy: USD-INR Oct sell AT 73.65 with SL above 73.80 TP-73.45/73.30.**

**Major Economic Data and Events Schedule For 24-10-2018**

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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