

Friday, 25 January 2019

DOMESTIC MARKET ACTIVITY AS ON 24-01-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2346358	+2.44	11517.12	-5.32	1615447	-5.24
EURINR	85415	+6.21	674.47	+56.12	83210	+56.28
GBPINR	59259	-7.08	1265.93	+13.67	136036	+13.14
JPYINR	44136	-4.43	314.34	+24.28	48335	+24.42

CURRENCY UPDATES

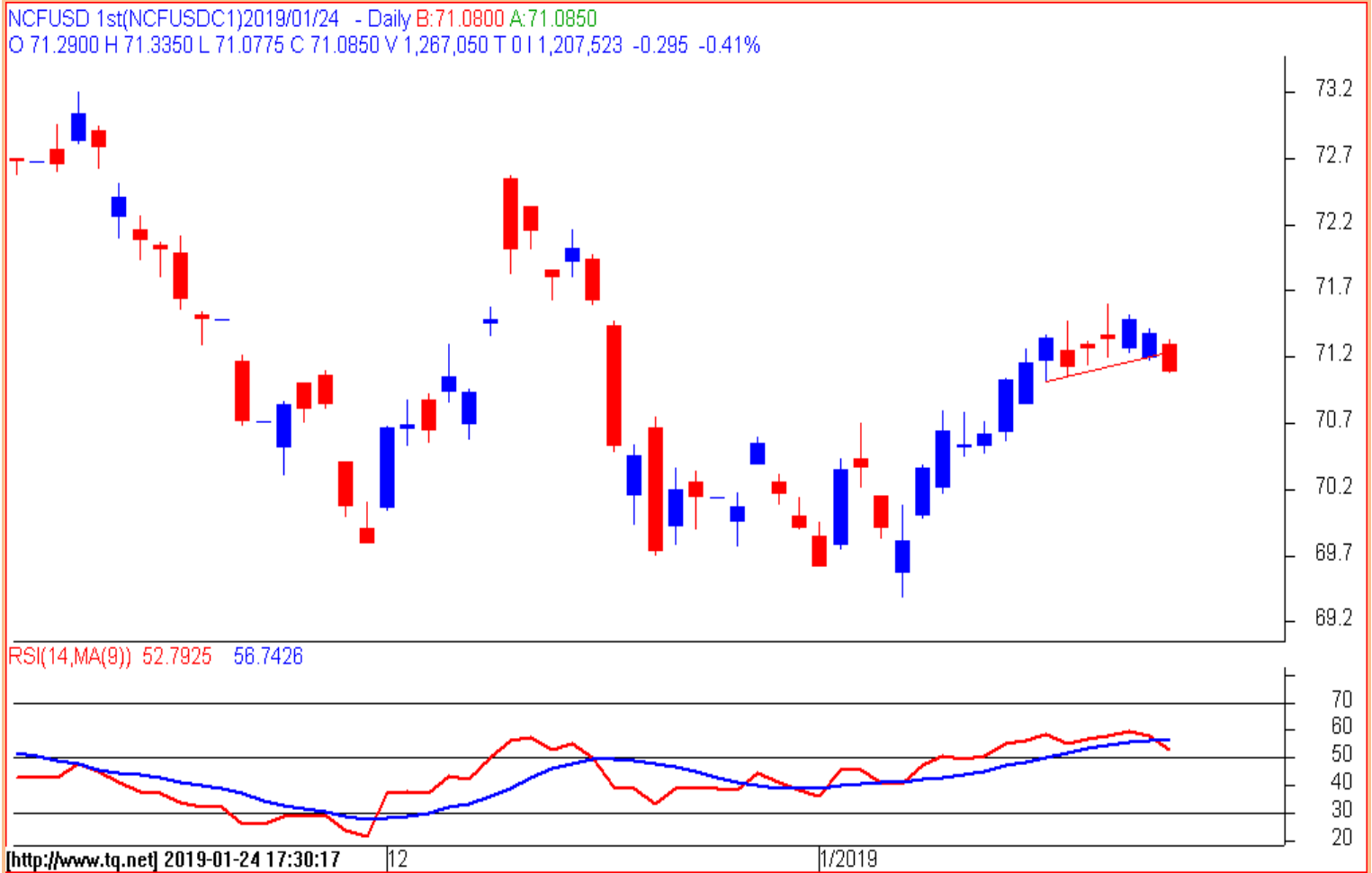
- DOLLAR INDEX-** The U.S. dollar pushed higher against a basket of its rivals on Thursday but gains were held in check by concerns over global growth, the U.S. government shutdown and the ongoing U.S.-China trade war. "Trade tensions are the most dominant factor for investor sentiment right now and will drive market flows," said Nick Twidale, chief operating officer at Rakuten Securities. Twidale added that investor risk appetite will only improve once concerns over the partial U.S. government shutdown and trade tensions fade. Trade tensions were evident again Thursday as access to Microsoft (NASDAQ:MSFT)'s Bing search engine was blocked in China. Global growth concerns have also spooked investors. On Monday, the International Monetary Fund cut its 2019 and 2020 global growth forecasts, citing a bigger-than-expected slowdown in China and the euro zone, and said failure to resolve trade tensions could further destabilize a slowing global economy. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was up 0.12% to 95.88 by 03:05 AM ET (08:05 AM GMT). Markets are bearish on the outlook for the dollar this year. Worries over the global economic outlook have forced the U.S. Federal Reserve to take a cautious approach on any further interest rate increases. Traders in interest rate futures are wagering that the Federal Reserve will stand pat on rates in 2019..
- EUR/USD** - The euro was marginally lower, with EUR/USD at 1.1373. Traders expected the European Central Bank to remain dovish at its policy meeting later in the day and to keep monetary policy accommodative for an extended period of time. Low inflation as well as weaker-than-expected economic activity in Germany and France, however, may lead ECB President Mario Draghi to point toward a potentially longer lasting slowdown. "If the central bank lowers its growth or inflation forecasts and Draghi focuses on weaker growth, we could see EUR/USD fall to \$1.12 easily," said Kathy Lien, managing director of currency strategy at BK Asset Management.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	71.09	-0.41	70.90	70.99	71.16	71.26	71.43
EUR-INR	80.71	-0.58	80.13	80.42	80.89	81.18	81.66
GBP-INR	92.71	-0.16	92.14	92.42	92.84	93.12	93.53
JPY-INR	64.83	-0.50	64.51	64.67	64.93	65.08	65.34

CURRENCY IN FOCUS

USD-INR (Jan)



Technical Strategy: USD-INR Jan. Sell AT 71.15 with SL above 71.35 TP-70.90/70.70.

Major Economic Data and Events Schedule For 25-01-2019

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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