

Tuesday, 25 September 2018

DOMESTIC MARKET ACTIVITY AS ON 24-09-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	4291051	1.62	23652.20	-36.03	3255164	-36.52
EURINR	143217	1.68	910.17	-21.28	106475	-21.63
GBPINR	72268	8.36	1028.58	-4.68	108018	-4.41
JPYINR	46065	5.04	349.11	-28.80	54067	-29.37

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar edged higher on Monday, snapping a two-week losing streak, as investors bought the greenback before a widely expected interest rate hike by the U.S. central bank this week while trade war concerns checked investor appetite for risk. The dollar had struggled as trade war concerns faded and emerging market central banks led by Turkey took aggressive steps to stabilize their markets. But the weekend brought tensions back into the spotlight and boosted the dollar after Beijing released a white paper on the trade dispute saying it would seek a reasonable outcome, while also describing U.S. tactics as "bullying". With the U.S. Federal Reserve set to increase interest rates by a quarter points for the eighth time since late 2015, speculators ramped up bets that interest rate differentials between the United States and other major economies, particularly Europe, will stretch wider. "We typically see this brief window before a U.S. rate meeting when hedge funds buy the dollar and the trade war headlines are also aggravating that trend," said Viraj Patel, an FX strategist at ING in London. Latest positioning data confirms that trend with net speculative long positions on the greenback increasing by its biggest daily rise in more than two months. The greenback (DXY) rose 0.1 percent to 94.37 against a basket of its rivals as net long positions for the dollar swelled to \$25 billion according to CFTC data.
- USD/JPY-** The pair has been trending higher alongside an ascending trend-line over the past two-week or so and is currently placed within striking distance of two-month tops set on Friday. The fact that the pair has managed to hold comfortably above important moving averages - 50, 100 & 200-period SMAs on the 1-hourly chart support prospects for additional gains. However, technical indicators on the mentioned chart are yet to pick up positive momentum and seemed to be the only factor keeping a lid on any runaway rally for the major. Traders seemed to await the BoJ Governor Haruhiko Kuroda's scheduled speech on Tuesday, which along with Wednesday's FOMC decision will provide a fresh directional impetus.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	72.66	0.55	72.14	72.40	72.58	72.84	73.02
EUR-INR	85.49	0.52	84.70	85.09	85.34	85.73	85.98
GBP-INR	95.42	0.11	94.30	94.86	95.18	95.74	96.06
JPY-INR	64.50	0.54	64.07	64.28	64.46	64.67	64.85

CURRENCY IN FOCUS

GBP-INR (Sep.)



Technical Strategy: Buy GBP-INR Sep AT 95.20 with SL below 95.00 TP-95.45/95.65.

Major Economic Data and Events Schedule For 21-09-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
11:05am	JPY	BOJ Gov Kuroda 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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