

Tuesday, 26 February 2019

**DOMESTIC MARKET ACTIVITY AS ON 25-02-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2679886	-1.51	15426.53	-5.33	2168590	-5.14
EURINR	88359	+3.23	617.61	+80.32	76390	+80.46
GBPINR	52374	+5.60	1058.23	+17.05	113765	+16.85
JPYINR	43894	-2.18	225.28	+6.55	35014	+6.63

**CURRENCY UPDATES**

- DOLLAR INDEX**- The dollar was broadly lower early Monday in Europe after U.S. President Donald Trump's decision to delay the imposition of more tariffs on Chinese imports triggered a relief rally in risk assets. The dollar index, which measures the greenback against a basket of currencies, edged down to 96.257 by 03:20 AM ET (0820 GMT), having ended Friday's session above 96.40. The greenback retreated across the board in Asian trading, as Chinese stocks recorded their best day in over three years, while the yuan rose some 0.2%. A truce in the U.S.-China trade would be a huge fillip to the Chinese economy, and the emerging signs of a truce are lifting not only Chinese assets, but all currencies and stocks correlated to China. A warning from Chinese news agency Xinhua that there could still be problems with the deal dampened spirits only marginally. As such, the dollar not only fell 0.2% against both the Aussie and the kiwi in Asian trading, it also weakened against the yen, reflecting the increasing importance of China as a market for Japanese companies too. The euro also hit a two-week high against the dollar on hopes that a truce can revive a stagnating euro-zone economy.
- EUR/USD** - The shared currency keeps the bid tone intact so far today and is now lifting EUR/USD to fresh multi-day highs around 1.1370. Spot is trading on a positive fashion so far today, reverting three consecutive daily pullbacks and regaining the upper-1.1300s on the back of the continuation of the upbeat sentiment in the risk-associated complex. The demand for the riskier assets has been bolstered further in past hours after President Trump delayed the US tariffs on Chinese products, adding that a new meeting with China's Xi Jinping is on the table at some point in March. Noteworthy in this week's calendar will be key preliminary German and EMU inflation figures are due in the second half of the week, while Chief Powell will testify before the Senate Banking panel (Tuesday) and the House Financial Services Committee.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	71.23	-0.21	71.13	71.18	71.26	71.31	71.40
EUR-INR	81.11	-0.01	80.83	80.97	81.08	81.22	81.34
GBP-INR	93.26	+0.17	92.89	93.08	93.21	93.40	93.53
JPY-INR	64.43	-0.09	64.32	64.37	64.49	64.54	64.66

**CURRENCY IN FOCUS**

**USD-INR (Mar)**



**Technical Strategy: Sell USD-INR Mar at 71.25-71.28 with SL above 71.40 TP-71.05/70.90.**

**Major Economic Data and Events Schedule For 26-02-2019**

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
3:30pm	GBP	Inflation Report Hearings	-	-	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.

**Contact**

SMS: 'Arihant' to 56677

**Website**[www.arihantcapital.com](http://www.arihantcapital.com)**Email Id**[research@arihantcapital.com](mailto:research@arihantcapital.com)

Arihantis Forbes Asia's '200 Best under a \$Billion' Company  
'Best Emerging Commodities Broker' awarded by UTV Bloomberg

**Disclaimer:** This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

## Arihant Capital Markets Ltd

Commodity/Currency Research Desk: 6, Lad Colony, Y.N. Road Indore-3

T: 0731-4217191. Fax: 0731-4217103

Corporate Office: 1011, Solitaire Corporate Park, Building No.10, 1st Floor,  
Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093

D. +91.22.42254800 and 67114800

[www.arihantcapital.com](http://www.arihantcapital.com)