

Tuesday, 26 March 2019

DOMESTIC MARKET ACTIVITY AS ON 25-03-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2568252	+3.02	18334.18	-17.51	2652188	-17.75
EURINR	77434	+5.76	512.67	-32.85	65554	-32.75
GBPINR	61037	-0.09	857.83	-15.39	94082	-15.91
JPYINR	42392	+8.84	415.95	+77.86	66113	+76.32

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar index, which measures the greenback against a basket of six major currencies, was at 96.097, above where it was before the Federal Reserve's policy announcements last week. Turkey's lira was also staging a modest bounce after its worst day since last year's currency crisis, caused by a drop in the central bank's foreign exchange reserves and made worse by President Recep Tayyip Erdogan's rebuke of Donald Trump's call for international recognition of Israel's control over the Golan Heights in Syria. The lira was at 5.6515 to the dollar, having fallen through 5.8300 on Friday. The first test of sentiment of the week is due almost immediately, as Germany's Ifo business climate index at 05:00 AM ET (09:00 GMT) will either corroborate last week's shocking manufacturing survey from IHS Markit or give some reassurance that things are not so bad after all. The headline index is expected to tick up modestly to 98.7 from its four-year low of 98.5 in February. Elsewhere, the pound is bracing for news of whether Prime Minister Theresa May's EU Withdrawal Agreement will return to parliament for a third 'meaningful vote'. It was supported over the weekend by signs of mass popular resistance to a "no-deal" Brexit, but with the deadline pushed back only as far as April 12, the time left for parliament to find an alternative course is running out quickly. U.K. press reports suggested at the weekend that May would be forced to step down by her own party this week, but these were officially denied by the ministers seen as most likely to replace her.
- EUR/USD -** The Euro, accounting for ~57% of the DXY, is expected to be the main driver here for the DXY and with that in mind a small bounce is expected to fail. With further weakness after last week's late turnaround it seems reasonable in this low volatility environment to expect a move down to the mid to lower 11100s, but perhaps nothing more until market participants show up in earnest.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	68.98	-0.03	68.61	68.80	69.01	69.19	69.40
EUR-INR	78.06	-0.02	77.73	77.89	78.10	78.26	78.47
GBP-INR	90.98	+0.18	90.45	90.71	91.05	91.32	91.66
JPY-INR	62.66	+0.20	62.19	62.43	62.76	62.99	63.33

CURRENCY IN FOCUS

GBP-INR (Mar)



Technical Strategy: Sell GBP-INR Mar AT 91.00 -91.05 with SL above 91.25 TP-90.75/90.55.

Major Economic Data and Events Schedule For 26-03-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
4:00pm	USD	FOMC Member Rosengren Speaks	-	-	High
4:30pm	GBP	FOMC Member Evans Speaks	-	-	-

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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