

Wednesday, 26 June 2019

DOMESTIC MARKET ACTIVITY AS ON 25-06-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2945091	+6.47	18634.25	+17.42	2681300	+17.61
EURINR	85130	+2.72	699.92	-15.26	88335	-15.14
GBPINR	40770	-5.75	1068.92	-9.27	120549	-9.18
JPYINR	76128	-1.26	406.97	13.21	62615	+12.97

CURRENCY UPDATES

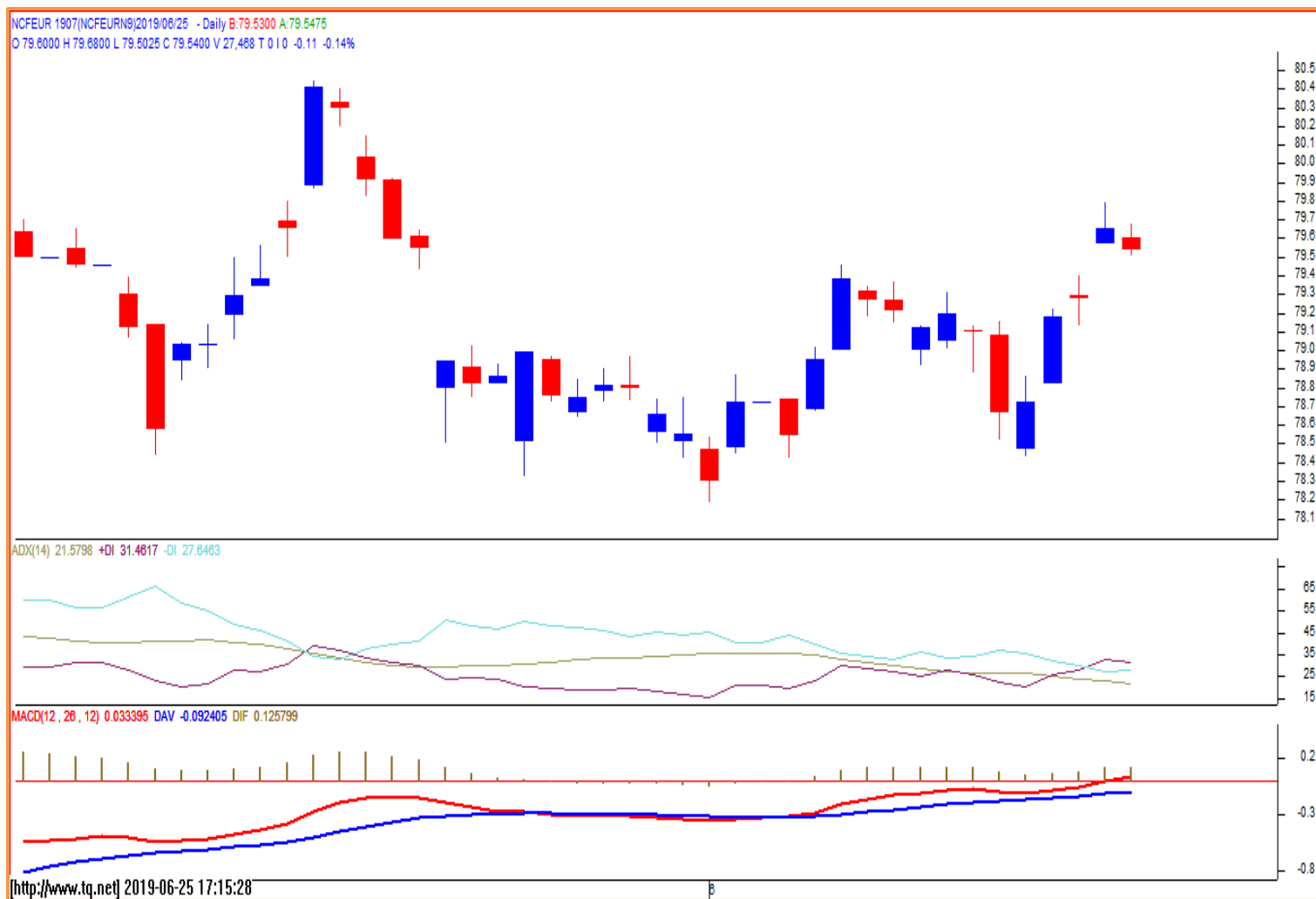
- DOLLAR INDEX-** The U.S. dollar edged down on Tuesday in Asia while the Japanese yen gained as heightening tension in the Middle East drew safe-haven demand. The U.S. dollar index that tracks the greenback against a basket of other currencies was down 0.1% to 95.428 by 1:35 AM ET (05:35 GMT). The index was under pressure by the prospects of monetary easing by the Federal Reserve, which signalled it was prepared to cut interest rates later this year to counter a global economic slowdown that was exacerbated by global trade tensions. Fed chairman Jerome Powell is due to speak later this week. The U.S. currency was pressured further against the yen, which often serves as a safe haven in times of political angst, as tensions grew between Iran and the U.S. On Monday, Washington announced new sanctions against Iran after the latter was accused of shooting down an unmanned drone. U.S. President Donald Trump ordered, but subsequently called off, a military strike last week in response to the incident, according to reports. Tensions between the two countries have been fragile since the White House decided to withdraw from the UN-backed 2015 Iran nuclear agreement.
- EUR/USD-** It's been a relatively quiet session for the pair so far with price action inching towards the lower side on the day under the 1.1400 handle. That said, the trading range remains narrow with price largely seen between 1.1385-00 in the past few hours. For buyers, they are still searching for a firm break above the 1.1400 handle with minor resistance also seen around 1.1420. The bias and momentum continue to sit in their favour but markets may very well be in a wait-and-see mode ahead of the Trump-Xi meeting that will take place later on in the week. Of note, there are also expiries resting at 1.1400 (€563 million) today, 1.1370-90 (€3.4 billion) tomorrow, and again at 1.1400 (€1.5 billion) on Thursday. If you factor that in alongside month-end and quarter-end flows, it could perhaps provide some draw in anchoring price action over the next few days amid market indecision.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.74	0.49	69.51	69.62	69.69	69.81	69.88
EUR-INR	79.54	0.96	79.40	79.47	79.58	79.65	79.75
GBP-INR	88.97	0.50	88.50	88.74	88.98	89.22	89.46
JPY-INR	65.24	0.71	64.99	65.11	65.21	65.33	65.42

CURRENCY IN FOCUS

EUR-INR (July)



Technical Strategy: Sell EUR-INR June AT 78.58 - 78.60 with SL above 78.80 TP-78.30/78.10.

Major Economic Data and Events Schedule For 26-06-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
2:45pm	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.

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