

Wednesday, 27 February 2019

## DOMESTIC MARKET ACTIVITY AS ON 26-02-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	NA	NA	NA	NA	NA	NA
EURINR	-	-	-	-	-	-
GBPINR	-	-	-	-	-	-
JPYINR	-	-	-	-	-	-

## CURRENCY UPDATES

- DOLLAR INDEX**- the U.S. dollar was lower against most other major currencies, as market participants looked ahead to testimony from Federal Reserve Chairman Jerome Powell to a U.S. Senate committee later in the session. It comes after the U.S. central bank adopted a more cautious stance on future interest rate hikes last month. "The market will be looking for signs the Fed remains comfortable with the current state of policy," said Steven Dooley, currency strategist at Western Union Business Solutions. "The markets will also want to hear details about the eventual end of the Fed's balance sheet reduction program." The greenback was down 0.2% against the safe-haven Japanese yen at 110.85 (USD/JPY), pulling back from its highest since late December. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was flat at 96.27. Looking ahead, investors are likely to monitor data on U.S. housing starts and building permits for December due later in the day. A consumer confidence report for February is also on the agenda.
- GBP/USD** - The pair continued gaining strong positive traction the mid-European session on Tuesday and climbed further beyond the 1.3200 handle, hitting the highest level since mid-October. Hope for either a Brexit extension or that the UK PM May might rule out a no-deal Brexit outcome turned out to be one of the key factors fuelling the ongoing strong positive momentum. Meanwhile, a sustained move beyond the 1.3100 handle was seen as a key trigger for intraday bullish traders and behind a strong 140-pips intraday up-move to levels beyond the 1.3200 mark. However, slightly overstretched technical indicators on hourly charts kept a lid on any strong follow-through ahead of the UK PM Theresa May's statement in the parliament later today. Any positive headlines might be enough to provide an additional boost and easily lift the pair further beyond the 1.3250-60 intermediate hurdles towards reclaiming the 1.3300 handle.

## TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	71.31	+0.12	70.86	71.09	71.44	71.67	72.02
EUR-INR	81.25	+0.17	80.83	81.04	81.26	81.47	81.70
GBP-INR	94.20	+1.01	92.94	93.57	94.01	94.64	95.08
JPY-INR	64.48	+0.08	64.21	64.34	64.54	64.67	64.87

**CURRENCY IN FOCUS**

**USD-INR (Mar)**



**Technical Strategy: Sell USD-INR Mar at 71.35 – 71.40 with SL above 71.55 TP-71.15/70.95.**

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

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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