

Wednesday, 27 March 2019

DOMESTIC MARKET ACTIVITY AS ON 26-03-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2644049	+2.95	19226.43	+4.87	2786071	+5.05
EURINR	66963	-13.52	669.55	+30.60	85665	+30.68
GBPINR	52549	-13.91	1397.14	+62.87	153299	+62.94
JPYINR	40224	-5.11	293.51	-29.44	46825	-29.17

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar index, which measures the greenback against a basket of six major currencies, was little changed at 96.018. The dollar has enjoyed a degree of support from the fact that special counsel Robert Mueller's investigation into allegations of collusion between the Trump campaign and Russia in 2016 ended without any further charges being brought. It faces further tests later Tuesday from the latest release of data on U.S. housing starts at 08.30 AM ET, and the Conference Board's consumer confidence index, due at 10.00 AM ET. A consumer confidence indicator from Germany released earlier Tuesday dipped to its lowest since May 2017, in a fresh reminder that the global slowdown is filtering through to the export-sensitive German economy. Elsewhere, the Turkish lira has recovered nearly all of the losses it suffered last week, after the central bank moved to tighten conditions in the local money market. At 04:00 AM ET, it was at 5.5009 against the dollar.
- EUR/USD -** Deutsche Bank analysts point out that the EUR has stayed in a remarkably tight range over the last 6m seemingly immune to both dollar negative (pricing of Fed easing) or USD positive news (persistently negative European growth surprises). "Our forecasts embody an expectation that the deadlock will ultimately resolve itself in a higher EUR/USD to at least 1.20 over the course of the year helped by a combination of positive flow and cyclical dynamics." "On the flow side current account surplus recycling is slowing down leading to a gradually improving basic balance. On cyclical side our baseline is for an improvement in Euro area growth cycle in 2nd half of the year while US may be vulnerable to further downside expectations due to waning fiscal stimulus." "Finally, the risks are skewed to shifting political risk premia in a more negative dollar direction with Brexit and trade risks likely receding by H2 while the market focus should gradually shift to the US presidential election and the controversial macro policies associated with prominent Democratic presidential contenders."

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	68.88	-0.14	68.67	68.78	68.89	69.00	69.12
EUR-INR	78.02	-0.04	77.78	77.90	78.01	78.13	78.23
GBP-INR	91.17	0.22	90.42	90.80	91.05	91.42	91.67
JPY-INR	62.43	-0.36	62.01	62.22	62.47	62.68	62.93

CURRENCY IN FOCUS

USD-INR (Mar)



Technical Strategy: Sell USD-INR Mar AT 68.90 with SL above 69.10 TP-68.65/68.45.

Major Economic Data and Events Schedule For 27-03-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
1:30pm	EUR	ECB President Draghi 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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