

Thursday, 27 June 2019

DOMESTIC MARKET ACTIVITY AS ON 26-06-2019

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 edged higher on Wednesday, pulling away from a three month low as markets dialed back expectations for aggressive interest rate cuts by the Federal Reserve next month, but expectations for some monetary easing checked the currency's gains. Expectations for a half percentage point cut at the Fed's July meeting receded after St. Louis Fed President James Bullard said Tuesday that such a move "would be overdone". Separately, Fed Chairman Jerome Powell said the central bank is "insulated from short-term political pressures," pushing back against U.S. President Donald Trump's demands for a significant rate cut. The comments tempered expectations for aggressive easing, but investors are still expecting at a quarter percentage point cut next month. The U.S. dollar index against a basket of currencies edged up to 95.75 by 02:44 AM ET (06:44 GMT) on Wednesday, off a three-month low of 95.36 reached on Tuesday.
- USD/JPY-** USD/JPY climbs to session high as risk mood buoyed by Mnuchin's comments on tradePrice now runs into minor resistance around 107.71-74 as Treasury yields and equities get a lift following Mnuchin's remarks that a "US-China trade deal is 90% complete". 10-year yields moved up to a high of 2.028% from around 2.007% prior to that while US equity futures jumped slightly as well. That said, I'm not really buying into the optimism from his comments here. The deal can be 99% complete for all we know but if that 1% covers the more structural issues like the exchange rate and IP protection among other things, then it outweighs everything else because those remain the key sticking points in the deal right now. To put it in "simpler" terms, this is like saying a Brexit deal is 90% complete but the outstanding issue left is solving the Irish border/backstop. It sounds good on paper but really, it isn't if you digest how negotiations are actually progressing. It's going to take a lot more from either side to move towards a compromise and that'll begin with Trump and Xi finding some common ground for talks to resume again this weekend.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.56	-0.26	69.25	69.40	69.63	69.78	70.01
EUR-INR	79.29	-0.32	78.98	79.13	79.32	79.48	79.67
GBP-INR	88.44	-0.59	87.98	88.21	88.57	88.80	89.16
JPY-INR	64.75	-0.75	64.38	64.56	64.85	65.04	65.33

CURRENCY IN FOCUS

EUR-INR (July)



Technical Strategy: Sell EUR-INR July AT 78.32 – 78.30 with SL above 78.50 TP-78.00/77.80.

Major Economic Data and Events Schedule For 27-06-2019

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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