

Thursday, 27 September 2018

DOMESTIC MARKET ACTIVITY AS ON 26-09-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	4322857	+1.26	35767.71	-13.05	4909096	-13.03
EURINR	143075	+5.50	1287.35	-0.11	149877	-0.27
GBPINR	70687	+3.54	1011.10	-17.67	105257	-17.98
JPYINR	41547	-7.11	295.01	-12.96	45631	-13.04

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar was holding steady against a currency basket on Wednesday as investors awaited the conclusion of the Federal Reserve meeting later in the day, with a rate hike fully priced in. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was little changed at 93.75 by 04:18 AM ET (08:19 AM GMT) in range bound trade. The U.S. central bank is widely expected to raise interest rates by a quarter of a percentage point to 2.25%, in what would be its third rate hike of the year. With the rate hike fully priced in and investors also expecting another rate hike in December attention will be turning to the Fed's plans for the direction of monetary policy in 2019. Indications that the Fed is looking to remain hawkish next year would likely bolster the dollar, while suggestions that it may slow the pace of rate hikes or that it is coming to the end of its tightening cycle next year could send the greenback lower. Market sentiment remained subdued after U.S. President Donald Trump's appearance at the United Nations General Assembly, where he restated his administrations tough stance on trade saying that his country would "no longer tolerate abuse" on that front.
- GBP/USD-** The buying interest around the US dollar appears to gather pace, now pushing the GBP/USD pair back to test the midpoint of the 1.3150 level. The greenback picked up a bid against a basket of major currencies heading into the mid-European session, as markets prefer to hold the US currency amid a looming Fed rate hike decision and upcoming trade talks between the US President Trump and Japanese PM Abe. Meanwhile, a mixed tone seen on the European equities combined with no fresh Brexit headlines leaves the Cable at the mercy of the USD dynamics and risk sentiment. The GBP markets shrugged-off upbeat UK CBI realized sales data, as the focus now shifts towards the US new home sales and Fed decision due later in the NA session.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	72.91	-0.13	72.70	72.81	72.93	73.04	73.16
EUR-INR	85.83	-0.34	85.51	85.67	85.91	86.06	86.30
GBP-INR	95.92	-0.18	95.52	95.72	96.06	96.26	96.60
JPY-INR	64.71	-0.20	64.51	64.61	64.76	64.87	65.02

CURRENCY IN FOCUS

EUR-INR (Oct.)



Technical Strategy: Sell EUR-INR Oct AT 86.10 with SL above 86.30 TP-85.85/85.65.

Major Economic Data and Events Schedule For 27-09-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
6:00pm	USD	Core Durable Goods Orders m/m	0.4%	0.1%	High
	-	Final GDP q/q	4.2%	4.2%	Low

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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