

Thursday, 28 February 2019

DOMESTIC MARKET ACTIVITY AS ON 27-02-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2298270	-14.24	26170.94	+69.65	3658089	+68.69
EURINR	65375	-26.01	548.73	-11.15	67218	-12.01
GBPINR	96395	84.05	1463.90	+38.33	154122	+35.47
JPYINR	36891	-15.95	308.17	+36.79	47471	+35.58

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar index against a basket of six major currencies stood at 95.843 after shedding 0.42% on Tuesday, when it hit 95.81, its lowest since Feb. 6. The drop in the greenback came after Federal Reserve Chairman Jerome Powell reiterated that the central bank would stay patient on monetary policy, and as the pound rallied. Powell said on Tuesday that rising risks and recent soft data were unlikely to prevent solid growth for the U.S. economy this year, but that the Fed would remain "patient" in its decisions on further interest rate hikes. "The dollar's fall was a little puzzling as Powell's comments did not offer fresh insight. But the market was in a state where the dollar was sensitive to potential bearish factors, and the strong pound also weighed,"
- GBP/USD -** The buying interest around the British Pound picked up pace since the early European session and lifted the GBP/USD pair to the 1.3300 handle for the first time since July 2018. A sudden change in the Brexit outlook, wherein the risk of a no-deal Brexit appears to have declined significantly this week, was seen as one of the key factors driving the pair higher for the fourth consecutive session. A possible delay to the fast-approaching Brexit deadline on March 29 has been perceived as better than a no-deal outcome by the market participants, fuelling expectations for a softer Brexit and underpinning the British Pound. The sentiment remained bullish after the UK PM Theresa May confirmed on Tuesday that the parliament will have an opportunity to vote for a no-deal Brexit or Brexit extension if her revised Brexit deal again gets rejected on March 12. The positive momentum got an additional boost after the EU's Chief Brexit negotiator Michel Barnier said that the EU was doing all it can do to reach a Brexit deal with the UK and avoid a disorderly Brexit. Meanwhile, the prevalent US Dollar selling bias, with bulls failing to capitalize on the intraday attempted recovery, remained supportive of the pair's ongoing strong bullish momentum to near eight-month tops.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	71.53	+0.31	70.91	71.22	71.48	71.79	72.06
EUR-INR	81.79	+0.67	80.98	81.39	81.60	82.01	82.22
GBP-INR	95.27	+1.14	93.99	94.63	95.00	95.64	96.01
JPY-INR	64.94	+0.71	64.26	64.60	64.84	65.18	65.42

CURRENCY IN FOCUS

GBP-INR (Mar)



Technical Strategy: Buy GBP-INR Mar at 95.05 – 95.00 with SL below 94.85 TP-95.30/95.50.

Major Economic Data and Events Schedule For 28-02-2019

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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