

Thursday, 28 March 2019

DOMESTIC MARKET ACTIVITY AS ON 27-03-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	3068745	+16.06	28121.15	+46.26	4065418	+45.92
EURINR	71137	+6.23	1034.76	+54.55	132569	+54.75
GBPINR	46836	-10.87	961.99	-31.15	105342	-31.28
JPYINR	29823	-25.86	295.71	+0.75	47242	+0.89

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar index, which measures the greenback against a basket of six major currencies, was at 96.442, up around 0.2% from late Wednesday in the U.S. In the course of the European morning, confidence surveys of French consumers and Italian and Spanish businesses will indicate whether there is any meaningful counterweight to an increasingly gloomy outlook in export-dependent Germany, the region's largest economy. There will also be a series of speeches by senior European Central Bank officials. President Mario Draghi kicked off a closely-watched conference by repeating that the downside risks to the euro zone economy have increased. "We are now seeing a more persistent deterioration of external demand. But a "soft patch" does not necessarily foreshadow a serious slump," Draghi said. Sterling was also higher against the euro in early trade ahead of a series of 'indicative votes' in parliament on alternatives to Prime Minister Theresa May's EU Withdrawal Agreement.
- USD/JPY -** The USD/JPY pair lost its traction in the last hour and broke below its daily consolidation channel as risk sentiment continues to dominate the market action on Wednesday. As of writing, the pair was trading at 110.35, losing 0.25% on a daily basis. Following yesterday's rebound, which seemed to be a technical correction amid a lack of positive macro developments, the 10-year U.S. Treasury Bond yield extended its losses on Wednesday and slumped to its lowest level since mid-December 2017 at 2.349%, reflecting the risk-off mood and fears over a possible recession in the U.S., which helps traditional safe-havens like the JPY find demand in the session. Furthermore, major European equity indexes turned red on the day and the S&P 500 Futures erased its early gains to suggest that Wall Street is likely to start the day under pressure. Meanwhile, after finding resistance near the 97 handle, the US Dollar Index reversed its course ahead of the trade balance data from the U.S. and allowed the pair to continue to push lower. At the moment, the DXY is down 0.08% on the day at 96.72.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.27	0.09	69.00	69.13	69.26	69.40	69.52
EUR-INR	78.43	-0.24	78.03	78.23	78.34	78.54	78.65
GBP-INR	91.72	-0.03	91.21	91.47	91.63	91.88	92.04
JPY-INR	62.99	0.16	62.62	62.80	62.92	63.11	63.23

CURRENCY IN FOCUS

USD-INR (Apr)



Technical Strategy: Buy EUR-INR Apr AT 78.35-78.30 with SL below 78.15 TP-78.65/78.85.

Major Economic Data and Events Schedule For 28-03-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
6:00pm	USD	Final GDP q/q	2.4%	2.6%	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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