

Friday, 28 June 2019

DOMESTIC MARKET ACTIVITY AS ON 27-06-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2129008	-27.01	12578.65	-62.71	1810482	-62.64
EURINR	67142	-18.20	461.35	-40.20	58283	-40.15
GBPINR	40502	-13.77	819.7	-33.40	92793	-33.34
JPYINR	42217	-33.51	289.16	-37.49	44838	-37.13

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar rose to one week highs against the yen on Thursday amid signs of a truce in the Sino-U.S. trade war, but investors remained wary ahead of a closely watched meeting between the two countries at the G20 summit this weekend. The dollar was up 0.32% at 108.11 yen by 02:51 AM ET (06:51 GMT), its highest since June 19. The South China Morning Post (SCMP), citing sources, said in Washington and Beijing were laying out an agreement that would help avert the next round of tariffs on an additional \$300 billion of Chinese imports. On Wednesday, U.S. President Donald Trump said a trade deal with his Chinese counterpart Xi Jinping was possible this weekend though he was prepared to impose tariffs on virtually all remaining Chinese imports if talks fail. Trump and Xi are due to meet at the June 28-29 G20 summit in Osaka. The potential implications of the Trump-Xi meeting for U.S. monetary policy are huge, Yamamoto at Mizuho Securities said. "If the two sides agree not to impose more tariffs, the Fed would no longer need to cut rates," he said. "On the contrary, if the talks point to the imposition of more tariffs that could nudge hesitant policymakers towards rate cuts." The dollar has taken a hit over the past week - it reached a six-month low of 106.78 yen on Tuesday - after the Federal Reserve opened the door to possible monetary easing in the coming months.
- USD/JPY-** The safe-haven yen fell after his comments. The USD/JPY pair gained 0.3% to 108.06. The two leaders will meet on Saturday morning to discuss trade-related issues, the White House confirmed. "At minimum, investors are (hoping) that the trade talks will resume after this weekend's meeting between the two leaders. We think they will but President Trump is extremely difficult to predict," Kathy Lien, managing director of foreign exchange strategy for BK Asset Management, wrote in a note that was cited by CNBC. The greenback was under some pressure earlier this week as markets dialled back expectations for aggressive rate cuts after Federal Reserve Chairman Jerome Powell said the central bank is "insulated from short-term political pressures," pushing back against Trump's demands for a significant rate cut.

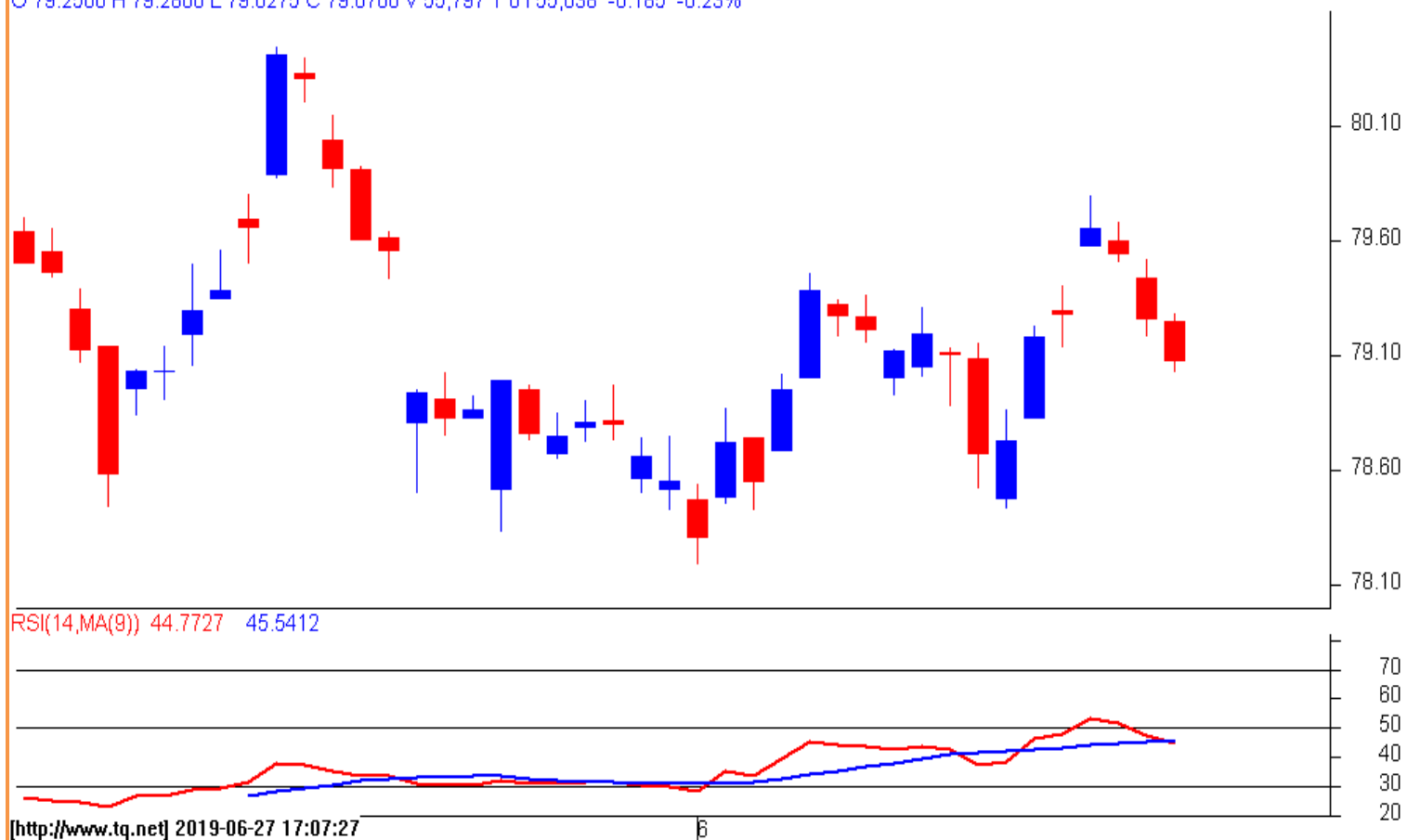
TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.34	-0.32	69.13	69.23	69.43	69.53	69.73
EUR-INR	79.07	-0.27	78.87	78.97	79.13	79.22	79.38
GBP-INR	88.27	-0.20	87.90	88.08	88.36	88.54	88.82
JPY-INR	64.44	-0.47	64.10	64.27	64.49	64.67	64.89

CURRENCY IN FOCUS

EUR-INR (July)

NCFEUR 1907(NCFEURN9)2019/06/27 - Daily B:79.0600 A:79.0725
O 79.2500 H 79.2800 L 79.0275 C 79.0700 V 55,797 T 0 I 55,038 -0.185 -0.23%



Technical Strategy: Sell EUR-INR July AT 79.13-79.15 with SL above 79.35 TP-78.85/78.65.

Major Economic Data and Events Schedule For 28-06-2019

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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