

Friday, 28 September 2018

DOMESTIC MARKET ACTIVITY AS ON 27-09-2018

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 dollar gained ground against the other major currencies on Thursday as markets digested the Federal Reserve's widely expected rate hike and indications that it remains on track to continue monetary tightening into next year. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was up 0.31% to 94.16 by 04:03 AM ET (08:03 AM GMT). The Fed raised interest rates by a quarter point to 2.25% on Wednesday, its third rate hike this year and its eighth since 2015. In its statement, the Fed said it still foresees another rate hike in December followed by three more in 2019, and one additional increase in 2020. The central bank dropped the word "accommodative" to describe its monetary policy stance in its statement, saying the change does not signal any change in the bank's path toward normalizing monetary policy. Some traders took the change to mean that if the Fed no longer believes its policy is accommodative, it may be moving closer to the end of its monetary tightening cycle. While Fed Chairman Jerome Powell said he does not see inflation surprising to the upside, policymakers revised up their outlook for U.S. economic growth this year and next.
- GBP/USD-** After bottoming out in the 1.1690 area during early trade, EUR/USD has now managed to attract some attention and reclaim 1.1700 the figure and above. The pair remains on the defensive and keeps navigating the low-1.1700s against the backdrop of renewed appetite for the greenback, particularly after the Federal Reserve raised rates yesterday and in light of a potential fourth rate hike by year-end. Also collaborating with the downbeat tone in EUR, uncertainty around the Italian budget has re-emerged today while Italian policy-makers keep looking for some common ground on the matter. Later in the day, German advanced inflation figures tracked by the CPI are due ahead of the welcome address by President Draghi at the 3rd Annual ESRB conference in Frankfurt. Moving forward, another revision of Q2 GDP figures, Initial Claims, Pending Home Sales, Durable Goods Orders and a speech by Chief J.Powell are all expected across the Atlantic.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	72.88	-0.04	72.49	72.69	72.87	73.06	73.24
EUR-INR	85.57	-0.30	85.25	85.41	85.60	85.76	85.96
GBP-INR	95.82	-0.10	95.50	95.66	95.81	95.97	96.12
JPY-INR	64.74	0.05	64.35	64.55	64.76	64.95	65.16

CURRENCY IN FOCUS

EUR-INR (Oct.)

NCFEUR 1810(NCFEURV8)2018/09/27 - Daily B:85.5200 A:85.5300
O 85.6375 H 85.7975 L 85.4450 C 85.5300 V 83,373 T 0 | 106,605 -0.29 -0.34%



Technical Strategy: Sell EUR-INR Oct below 85.55 with SL above 85.75 TP-85.30/85.10.

Major Economic Data and Events Schedule For 28-09-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
2:00pm	GBP	Current Account	-19.4B	-17.7B	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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