

Wednesday, 28 November 2018

DOMESTIC MARKET ACTIVITY AS ON 27-11-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2549461	+4.75	23370.85	-2.43	3293724	-2.83
EURINR	86152	+13.56	800.08	+6.67	99429	+6.55
GBPINR	37235	+2.41	708.33	-24.09	78112	-24.07
JPYINR	25910	-9.38	321.07	+27.78	51356	+27.70

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar ticked up to almost two-week highs against a currency basket on Tuesday amid fears that the U.S.-China trade war could escalate, while the pound weakened following U.S. President Donald Trump's warning that the Brexit deal is bad for the UK. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was up 0.15% at 97.12 by 04:37 AM GMT (09:37 AM GMT), the most since November 15. Demand for the dollar was underpinned by a resurgence of trade fears in the wake of Trump's threat to hike existing tariffs on China, and possibly extend them to all Chinese imports. In an interview with the Wall Street Journal, Trump said it was "highly unlikely" that he'd accept an offer from Chinese President Xi Jinping to avert new tariffs due to come into effect in January. Investors had hoped that talks due to take place between Trump and his Chinese counterpart at this week's G20 summit could lead to a ceasefire in the trade war.
- USD/JPY -** The USD/JPY pair lacked any firm directional bias and seesawed between tepid gains and minor losses, just below one-and-a-half week tops touched earlier today. A combination of diverging forces failed to provide any fresh bullish impetus/assist the pair to build on its overnight strong up-move and led to a subdued/range-bound price action through the early North-American session on Tuesday. Market sentiment took a hit after the US President Donald Trump threatened to move ahead with raising tariffs on \$200 billion in Chinese imports to 25% from the current 10% and prompted a fresh wave of global risk aversion trade. The risk-off mood was evident from a modest retracement in the US Treasury bond yields, which was seen underpinning the Japanese Yen's safe-haven status and eventually turned out to be one of the key factors capping any meaningful up-move for the major. The downside, however, remained cushioned amid the prevailing bullish sentiment surrounding the US Dollar, which remained supported by some hawkish comments by the Fed Vice Chairman Richard Clarida, saying that he would back more hikes than expected if inflation surprised to the upside.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.80	-0.03	70.47	70.63	70.87	71.04	71.27
EUR-INR	80.16	-0.48	79.76	79.96	80.24	80.44	80.73
GBP-INR	90.31	-0.82	89.70	90.00	90.52	90.83	91.34
JPY-INR	62.35	-0.37	62.06	62.20	62.40	62.55	62.75

CURRENCY IN FOCUS

GBP-INR (Dec.)



Technical Strategy: GBP-INR Dec. Sell AT 90.50 with SL above 90.70 TP-90.20/90.00

Major Economic Data and Events Schedule For 28-11-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
Tentative	GBP	Bank Stress Test Results	-	-	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.

Contact

SMS: 'Arihant' to 56677

Website

www.arihantcapital.com

Email Id

research@arihantcapital.com

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Arihant Capital Markets Ltd

Commodity/Currency Research Desk: 6, Lad Colony, Y.N. Road Indore-3

T: 0731-4217191. Fax: 0731-4217103

Corporate Office: 1011, Solitaire Corporate Park, Building No.10, 1st Floor,
Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai-400093

D. +91.22.42254800 and 67114800

www.arihantcapital.com