

Friday, 28 December 2018

DOMESTIC MARKET ACTIVITY AS ON 27-12-2018

| Currency Pairs | Open Interest | % Chg | Total Trade Volume | % Chg | No of Contracts Traded | % Chg |
|----------------|---------------|-------|--------------------|-------|------------------------|-------|
| USDINR | N.A | N.A | N.A | N.A | N.A | N.A |
| EURINR | N.A | N.A | N.A | N.A | N.A | N.A |
| GBPINR | N.A | N.A | N.A | N.A | N.A | N.A |
| JPYINR | N.A | N.A | N.A | N.A | N.A | N.A |

CURRENCY UPDATES

- DOLLAR INDEX-** Broadly, the dollar failed to capitalize on an eight-day high touched in the previous session on the back of firmer U.S. Treasury yields. The greenback was weaker against a basket of its rivals in early London trading. The dollar index .DXY , a gauge of its value versus six major peers, slipped 0.2 percent to 96.82, after gaining 0.5 percent on Wednesday. Volatile markets and concerns about a slowdown in the world's biggest economy have weighed on longer-dated U.S. bond yields and narrowed the interest rate differentials between the United States and other global bond markets. Spreads between 10-year U.S. government debt US10YT=RR and corresponding Japanese debt JP10YT=RR have shrunk by more than 30 basis points to a four-month low of 2.75 percent.
- JPY/USD** - The Japanese yen gained half a percent against the dollar on Thursday as widening cracks in global stock markets prompted investors to load up on perceived safe-haven assets. Though U.S. stocks jumped on Wednesday, sentiment was decidedly more cautious going into the U.S. trading session on Thursday with European equities .STOXX falling one percent while U.S. stock futures ESc1 slipped more than 1.5 percent. With concerns about a fresh chapter of trade tensions between the United States and China unfolding, investors piled into low-yielding currencies such as the Japanese yen and the Swiss franc in thin year-end trading. "On back of the global growth concerns and the sharp turnaround in markets today we have started to see the yen regain its place as the safe-haven of choice," said Lee Hardman, a currency strategist at MUFG in London. The yen strengthened across the board, rising more than half a percent against the dollar JPY=EBS to 110.80 yen. Against the Swiss franc CHF=EBS , the dollar fell 0.44 percent at 99.14 cents.

TECHNICAL LEVELS

| Currency Pairs | Fut. Closed | % Chg | S2 | S1 | Pivot | R1 | R2 |
|----------------|-------------|-------|-------|-------|-------|-------|-------|
| USD-INR | 70.55 | +0.48 | 69.97 | 70.30 | 70.37 | 70.70 | 71.11 |
| EUR-INR | 80.65 | +0.57 | 80.00 | 80.40 | 80.57 | 80.80 | 81.19 |
| GBP-INR | 89.25 | -0.01 | 88.71 | 89.00 | 89.27 | 89.50 | 89.89 |
| JPY-INR | 63.76 | 0.00 | 63.39 | 63.63 | 63.67 | 64.00 | 64.27 |

CURRENCY IN FOCUS

EUR-INR (Dec.)

NCFEUR 1st(NCFEURC1)2018/12/23 - Weekly B:80.0050 A:80.0200
O 80.0550 H 80.1550 L 79.6850 C 80.0200 V 74,160 T O I 35,690 -0.2425 -0.30%



Technical Strategy: Trading Range 80.40-81.60.

Major Economic Data and Events Schedule For 28-12-2018

| 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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