

Tuesday, 29 January 2019

DOMESTIC MARKET ACTIVITY AS ON 28-01-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2306310	-2.20	17581.32	+19.47	2469133	+19.43
EURINR	92825	+3.48	1173.23	+67.59	144175	+66.27
GBPINR	66470	+2.71	1176.63	-22.91	125387	-23.39
JPYINR	47140	+8.09	397.27	+10.10	60989	+9.66

CURRENCY UPDATES

- DOLLAR INDEX**- The dollar index, a gauge of its value versus six major peers was marginally lower at 95.74, after falling 0.8% on Friday. "The general direction for the dollar is still down and markets will be taking cues from the FOMC this week," said Sim Moh Siong, currency strategist at Bank of Singapore. Major currencies are expected to stay in narrow ranges ahead of two key events this week: the Federal Reserve's Open Market Committee will conclude a two-day meeting on Wednesday, and Chairman Jerome Powell is widely expected to acknowledge growing risks to the U.S. economy as global momentum weakens. Also, a high-ranking Chinese delegation will arrive in the U.S. for talks on de-escalating the trade war between the two countries.
- EUR/USD** - The EUR/USD pair quickly reversed an early European session dip to sub-1.1400 level and has now moved within striking distance of near two-week tops, set earlier today. The pair did witness some intraday profit-taking at the start of a new trading week, especially after the latest leg of nearly 140-pips strong upsurge from over six-week lows touched in the aftermath of a more dovish ECB outlook, and a general risk-off mood, which extended some support to the US Dollar. However, dovish Fed expectations, further reinforced by Friday's reports that the central bank is considering to stop shrinking its massive balance sheet sooner-than-expected, kept a lid on the USD uptick, rather prompted fresh selling at higher levels and helped the pair to regain positive traction. Currently hovering around the 1.1420 region, advancing for the second straight session, market participants now look forward to the ECB President Mario Draghi's testimony before the European Parliament Economic and Monetary Affairs Committee for some impetus. The key focus, however, will be on the upcoming US-China trade talks, to see if the world's two largest economies can reach a compromise on trade disputes, and the latest FOMC monetary policy update, wherein the central bank is expected to signal a pause in the recent tightening cycle.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	71.11	-0.11	70.78	70.95	71.08	71.25	71.39
EUR-INR	81.25	0.52	80.70	80.98	81.13	81.41	81.56
GBP-INR	93.68	1.21	93.33	93.51	93.69	93.86	94.04
JPY-INR	65.06	0.00	64.83	64.95	65.04	65.15	65.24

CURRENCY IN FOCUS

GBP-INR (Jan)



Technical Strategy: GBP-INR Jan. Sell below 93.65 with SL above 93.85 TP-93.45/93.25.

Major Economic Data and Events Schedule For 29-01-2019

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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