

Wednesday, 29 August 2018

DOMESTIC MARKET ACTIVITY AS ON 28-08-2018

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**-The dollar was holding steady near a one-month low against a currency basket on Tuesday as a U.S.-Mexico trade deal boosted risk appetite, while the pound was pressured lower amid continuing fears over a no-deal Brexit. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was at 94.66 by 03:48 AM ET (07:48 AM GMT). The index hit a low of 94.59 overnight, its weakest level since August 2. Concerns over heightened global trade tensions eased after the U.S. reached an agreement with Mexico on a trade deal aimed at overhauling the North American Free Trade Agreement. However, U.S. President Donald Trump has said he could still put tariffs on Canadian autos if it refuses to agree to the new deal and also wants concessions on the country's dairy products. Markets also remained wary as a trade spat between the U.S. and China rumbled on after trade talks last week ended with little progress and both countries slapped fresh reciprocal tariffs on imports.
- USD/JPY**- The Dollar/Yen is trading slightly lower early Tuesday, but essentially trading water for a second day. Traders are seeking new guidance after last week's rally died on Friday when Fed Chair Jerome Powell's dovish speech raised issues about future rate hikes. At 1108 GMT, the USD/JPY is trading 111.077, up 0.002 or +0.01%. The price action suggests investors believe Powell hinted that the Fed was moving toward neutrality, which essentially means it is getting closer to curtailing the pace of rate hikes. At this time, the markets seem to have pencilled in rate increases in September and December, but the number of rate hikes in 2019 is still up in the air. The new trade deal with Mexico could also be helping to put a cap on any gains since it is encouraging those who bought the dollar as a safe haven investment to exit those positions. Finally, there is some interest in the long side of the Japanese Yen because the Bank of Japan recently dropped hints that it is moving toward exiting its ultra-loose monetary policy. In economic news, Bank of Japan Consumer Inflation Index (CPI), rose more than expected.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.38	-0.06	70.11	70.25	70.40	70.53	70.68
EUR-INR	82.43	+0.61	81.62	82.03	82.29	82.69	82.95
GBP-INR	90.80	+0.25	90.31	90.56	90.79	91.03	91.26
JPY-INR	63.41	-0.04	63.04	63.23	63.41	63.59	63.77

CURRENCY IN FOCUS

GBP-INR (Aug)



Technical Strategy: Buy GBP-INR Aug above 90.80 with SL below 90.60 TP- 91.05/91.25.

Major Economic Data and Events Schedule For 28-08-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
6:00pm	USD	Prelim GDP q/q	4.0%	4.1%	Medium

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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