

Wednesday, 30 January 2019

DOMESTIC MARKET ACTIVITY AS ON 29-01-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2490297	+7.98	19114.56	+8.72	2681300	+8.59
EURINR	94423	+1.72	883.28	-24.71	108170	-24.97
GBPINR	67772	+1.96	1163.40	-1.12	123965	-1.13
JPYINR	49116	+4.19	279.94	-29.53	42885	-29.68

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar held near a two-week low on Tuesday as growing concern over the trade conflict between the United States and China heightened the safe-haven appeal of the Japanese yen and the Swiss franc. The United States on Monday announced criminal charges against China's Huawei Technologies Co Ltd, escalating a fight with the world's biggest telecommunications equipment maker, which denies wrongdoing. The announcement came days before trade talks with Beijing later this week. The latest news sapped appetite for risk and ended a rally in Chinese stocks this month. The yen and the franc gained against the dollar. Market participants are also focused on the Federal Reserve's policy meeting on Jan. 29-30, where Chairman Jerome Powell is expected to acknowledge growing risks to the U.S. economy as global momentum weakens. Investors expect the Fed to adopt a more cautious stance on policy than it did in 2018, pressured by signs of a peak in U.S. corporate earnings and the threat of a slowdown both at home and globally.
- EUR/USD -** "Euro/dollar should be in a range for now given the trade talks and the Fed meeting this week," said Kenneth Broux, a currency strategist at Society General (PA: SOGN) in London. Also keeping the euro in a tight range are option expiries worth \$6 billion between \$1.14-1.15. Traders say any breach of those ranges would fuel volatility in the markets. Sterling edged lower before crucial votes later in the day in the British parliament that are aimed at breaking the Brexit deadlock. The British currency has rallied 6 percent from Jan. 4 lows, but further gains may be limited unless lawmakers emerge with a big majority on the votes. In early London trading on Tuesday, sterling edged 0.1 percent lower to \$1.3142 but remained near a 2 1/2-month high of \$1.3218.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	71.33	-0.01	71.13	71.23	71.33	71.43	71.54
EUR-INR	81.78	+0.21	81.48	81.63	81.75	81.90	82.02
GBP-INR	93.92	-0.19	93.37	93.65	94.02	94.30	94.67
JPY-INR	65.29	+0.01	65.11	65.20	65.35	65.44	65.60

CURRENCY IN FOCUS

EUR-INR (Jan)

NCFEUR 1902(NCFEURG9)2019/01/29 - Daily B:81.7500 A:81.7575
O 81.6000 H 81.8600 L 81.6000 C 81.7575 V 70,843 T O I 62,765 +0.1575 +0.19%



Technical Strategy: EUR-INR Jan. buy above 81.90 with SL below 81.70 TP-82.15/82.35.

Major Economic Data and Events Schedule For 30-01-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
All Day	EUR	German Prelim CPI m/m	-0.7%	0.1%	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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