

Thursday, 30 May 2019

**DOMESTIC MARKET ACTIVITY AS ON 29-05-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2724270	6.24	26007.12	47.48	3715416	46.99
EURINR	66128	4.22	859.33	23.03	109831	22.83
GBPINR	57291	-6.26	1287.51	-3.10	145172	-3.38
JPYINR	45188	7.67	365.54	37.91	56978	37.21

**CURRENCY UPDATES**

- DOLLAR INDEX-** The U.S. dollar was steady against a currency basket on Wednesday, holding onto gains from the previous session as concerns over heightened trade tensions between the U.S. and China prompted investors to seek refuge in safe haven assets. Weakness in the euro also helped underpin the greenback, as uncertainty surrounding the outlook for the euro area's economy and political future pressured the single currency. The U.S. dollar index, which measures the currency against a basket of six peers, was almost unchanged at 97.820 by 02:56 AM ET (06:56 GMT) having ended up 0.3% overnight. The index was trading about 0.5% off a two-year high of 98.371 hit on Thursday and is still up 1.8% for the year. Investors focus remained on the ongoing Sino-U.S. trade war. China is prepared to use rare earths to strike back in a trade war with the U.S. Chinese media reported overnight, a move that would escalate tensions between the world's two largest economies. U.S. President Donald Trump said on Monday that Washington was not ready to make a deal with China yet.
- EUR/USD -** EUR/USD has ticked lower in the Wednesday session. Currently, the pair is trading at 1.1151, down 0.08% on the day. In economic news, French GDP and consumer inflation were within expectations. German unemployment rolls swelled by 60 thousand, much higher than the estimate of -8 thousand. The ECB released its financial stability report, which is published twice a year. In the U.S., the sole event is the Richmond Manufacturing Index, which is projected to climb to 6 points. On Thursday, the U.S. releases GDP and unemployment claims. The German economy has been showing signs of weakness, but the labour market has remained a bright spot. However, unemployment rolls ballooned by 60 thousand in April, surprising the markets. The indicator has recorded consecutive declines for almost two years, and investors are hoping that the April spike was a one-time blip. If upcoming German employment numbers follow suit and miss expectations, the euro could lose ground.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.06	0.24	69.73	69.89	70.06	70.22	70.38
EUR-INR	78.37	0.00	78.12	78.24	78.40	78.52	78.67
GBP-INR	88.72	0.02	88.29	88.50	88.74	88.95	89.18
JPY-INR	64.18	0.26	63.87	64.02	64.21	64.36	64.54

**CURRENCY IN FOCUS**

**EUR-INR (June)**



**Technical Strategy: Sell EUR -INR June AT 78.40 -78.42 with SL above 78.60 TP-78.10/77.80.**

**Major Economic Data and Events Schedule For 30-05-2019**

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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