

Friday, 30 November 2018

DOMESTIC MARKET ACTIVITY AS ON 29-11-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	1854794	-27.90	16971.09	-16.96	2418009	-16.14
EURINR	73965	-15.89	703.57	-20.91	87857	-20.82
GBPINR	32644	-15.79	711.01	-14.48	79001	-14.00
JPYINR	24997	+2.16	150.61	-18.69	24256	-18.38

CURRENCY UPDATES

- DOLLAR INDEX-** The dollar steadied on Thursday following a drop in the previous session after dovish comments by Federal Reserve Chairman Jerome Powell, who said interest rates were now close to the “neutral” level. The U.S. dollar index, which measures the greenback’s strength against a basket of six major currencies, edged up 0.12% to 96.78 by 04:18 AM GMT (09:18 AM GMT), after falling 0.62% on Wednesday. In a speech on Wednesday, Powell said interest rates were “just below” the neutral level at which they neither stimulate nor hinder economic growth. The comments came less than two months after he said rates were probably “a long way” from that point. Investors viewed the comments as an indication that the Fed would slow its program of hiking interest rates. Market watchers were looking ahead to the minutes of the Fed’s November meeting due to be released later Thursday, for fresh indications on the path of interest rates. The Fed is widely expected to raise rates for a fourth time this year at its upcoming meeting in December and has indicated that it may raise rates three more times in 2019, but markets are pricing in just one rate hike next year.
- EUR/USD -** Today’s Euro-zone economic docket highlights the release of German prelim CPI data, up for release later this session at 1300 GMT. The headline CPI is expected to come in at 0.2% m/m and the yearly rate is expected to tick lower to 2.4% in November from 2.5% previous. Meanwhile, the Harmonized Index of Consumer Prices (HICP) - an indicator of inflation and price stability for the European Central Bank (ECB), is also expected to ease a bit to 2.3% y/y rate during the reported month as compared to previous month’s reading of 2.4%. The analysis team at TD Securities explains: “Underlying this, it’s likely that core (ex-food and energy) CPI remained unchanged at 1.5%, despite a likely bounce in package holidays as other services categories along with ex-energy goods should be rather muted. Looking ahead inflation should slip further in December before resuming a gradual climb as oil prices recover.”

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.07	-1.09	69.68	69.87	70.18	70.38	70.69
EUR-INR	79.79	-0.49	79.29	79.54	79.96	80.21	80.63
GBP-INR	89.60	-1.25	88.88	89.24	89.89	90.24	90.89
JPY-INR	61.99	-0.72	61.74	61.86	62.06	62.18	62.38

CURRENCY IN FOCUS

GBP-INR (Dec.)



Technical Strategy: GBP-INR Dec. Sell AT 89.80 with SL above 90.00 TP-89.50/89.30.

Major Economic Data and Events Schedule For 30-11-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
Day 1	All	G20 Meetings	-	-	High

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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