

Friday, 31 May 2019

**DOMESTIC MARKET ACTIVITY AS ON 30-05-2019**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	1914704	-29.72	9270.58	-64.35	1323857	-64.37
EURINR	50676	-23.37	419.30	-51.21	53629	-51.17
GBPINR	47771	-16.62	930.71	-27.71	105076	-27.62
JPYINR	43626	-3.46	261.01	-28.60	40839	-28.32

**CURRENCY UPDATES**

- DOLLAR INDEX-** The U.S. dollar was hovering near two year highs against a currency basket on Thursday as persistent concerns over global trade tensions prompted investors to seek refuge in safe haven assets. With the trade spat between the U.S. and China showing no signs of easing concerns that global economic growth will be hit have loomed over financial markets in recent sessions, leading to rising risk aversion. The U.S. dollar index was 98.132 by 03:17 AM ET (07:18 GMT), not far from a two-year high of 98.371 reached a week ago. The index is up more than 2% for the year. "The outlook for global growth, and any drag from the festering trade dispute, remains key issues for markets," said Michael McCarthy, Sydney-based chief market strategist at CMC Markets. "The data over the next twenty-four hours has potential to either confirm or dispel the gloom," he wrote in a note. In the latest sign that the Sino-U.S. trade dispute is far from ending, Chinese Vice Foreign Minister Zhang Hanhui said on Thursday that provoking trade disputes is "naked economic terrorism", ramping up the rhetoric against the U.S. It came a day after Chinese newspapers warned that Beijing could use rare earth exports to strike back at the U.S. after U.S. President Donald Trump said he was "not yet ready" to make a trade deal.
- EUR/USD -** EUR/USD has declined for a third straight day on Wednesday. Currently, the pair is trading at 1.1142, down 0.10% on the day. German banks are closed for Ascension Day, and there is no euro zone or German events. It's a busy day in the U.S., highlighted by second estimate GDP, with an estimate of 3.1%. Unemployment claims is expected to rise to 216 thousand. On Friday, Germany and the U.S. both release inflation and consumer spending data. The slowdown which has gripped the euro zone has also dampened growth in Germany, but the labour market has performed well and remained a bright spot. However, there was negative news in April, as unemployment rolls ballooned by 60 thousand in May, surprising the markets. The indicator has recorded consecutive declines for almost two years, and the estimate stood at -8 thousand. The unemployment rate edged up to 5.0% in May, up from 4.9% in April.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	70.06	+0.01	69.79	69.93	70.02	70.16	70.25
EUR-INR	78.24	-0.16	77.88	78.06	78.18	78.37	78.49
GBP-INR	88.65	-0.07	88.30	88.48	88.59	88.76	88.87
JPY-INR	63.96	-0.34	63.66	63.81	63.93	64.08	64.19

**CURRENCY IN FOCUS**

**JPY-INR (June)**



**Technical Strategy: Sell JPY -INR June AT 63.90 63.93 with SL above 64.10 TP-63.65/63.45.**

**Major Economic Data and Events Schedule For 31-05-2019**

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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