

Tuesday, 31 July 2018

**DOMESTIC MARKET ACTIVITY AS ON 30-07-2018**

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2230051	-33.52	7092.30	-70.73	1028231	-70.80
EURINR	109359	-9.16	553.71	-54.90	68664.00	-55.12
GBPINR	48736	-12.64	619.54	-36.22	68426	-36.41
JPYINR	37058	-4.50	143.49	-61.98	23073	-62.09

**CURRENCY UPDATES**

- DOLLAR INDEX-** The dollar was steady against a basket of the other major currencies on Monday as investors positioned ahead of a number of key central banks meetings this week that could help determine near-term market direction for currencies. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was trading at 94.49 by 03:04 AM ET (07:04 AM GMT), almost unchanged for the day, after edging lower on Friday. The greenback dipped but held near one-week highs Friday as data showing that the U.S. economy grew at the fastest rate in four years in the second quarter was offset by concerns that trade tensions would act as a drag on growth in the second half of the year. The data underlined expectations for the Federal Reserve to continue hiking rates this year, but economists are concerned that the surge in second quarter growth may not be sustainable. Market participants were looking ahead to the conclusion of the Fed's two-day policy meeting on Wednesday, where it will probably flag up its third rate hike this year in September.
- USD/JPY-** The USD/JPY pair extended its consolidative price action through the mid-European session and oscillated within 15-20 pips narrow range, above the 111.00 handle. The pair struggled to register any meaningful recovery and remained within striking distance of near three-week lows set last Thursday. A modest US Dollar weakness, led by Friday's stronger but not very impressive US GDP growth figures, was seen as one of the key factors failing to assist the pair to gain any positive momentum. Meanwhile, the Japanese Yen remains supported by today's upbeat Japanese retail sales data, which coupled with the prevalent cautious mood around equity markets, which tends to underpin demand for traditional safe-haven currencies, further collaborated to the pair's subdued/range-bound action at the start of a new trading week.

**TECHNICAL LEVELS**

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	68.90	-0.02	68.69	68.79	68.93	69.04	69.17
EUR-INR	80.65	0.42	80.27	80.46	80.58	80.77	80.89
GBP-INR	90.47	0.08	90.17	90.32	90.47	90.62	90.78
JPY-INR	62.12	0.05	61.99	62.06	62.15	62.21	62.31

CURRENCY IN FOCUS

USD-INR (Aug)



**Technical Strategy:** Sell USD-INR Aug below 68.90 with SL above 69.10 TP- 68.65/68.45.

Major Economic Data and Events Schedule For 31-07-2018

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
Tentative	JPY	BOJ Outlook Report	-	-	High
-	-	BOJ Policy Rate	-0.10%	-0.10%	Low
-	-	Monetary Policy Statement	-	-	High
-	-	BOJ Press Conference	-	-	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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