

Thursday, 18 April 2019

DOMESTIC MARKET ACTIVITY AS ON 16-04-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2373595	-0.99	15701.83	+28.07	2252090	+27.61
EURINR	62368	-3.63	603.35	+2.28	76476	+2.04
GBPINR	48560	+1.49	1060.38	-9.29	116175	-9.45
JPYINR	26893	+1.88	150.6	-19.55	24149	-19.83

CURRENCY UPDATES

- DOLLAR INDEX-** The US Dollar (via the DXY Index) is showing signs of technical stress once again, with price action thus far on Wednesday shaping into a bearish outside engulfing bar – typically an indication that more downside may be forthcoming. While there’s still a long day ahead before the candle closes out, much of the economic data released during the Asian and European sessions should help relieve concerns over a near-term global slowdown – which in turn, reduces demand for the safe haven currencies like the Japanese Yen and US Dollar.
- EUR/USD -** The EURUSD set a double top in trading in the London morning session at the 1.13233. When the price cannot extend above a prior high, it sours the mood of the market traders. Let's face it, if long, you want to see the price take out previous highs and extend to new highs. Failures of breaks or inability to break a prior high are not a good sign for the bulls. Sellers have pushed the price back lower as a result, reaching 1.1300 so far. We currently trade at 1.1306. If the sellers keep the heat on the downside, the 100 hour MA (blue line) will be eyed at 1.12951 next. Below that is the trend line at 1.1284 and then the 200 hour MA at 1.1274 (and rising). Over the last 6 or so days, the price has moved below the 100 hour MA, with limited success. Yesterday and into today the pair made the strongest effort, but when the China data was better, the price started a rebound (some dollar selling/risk on buying). The low today also could not extend below the 50% of the last run high from the April 10 low (at 1.1276). That is near the rising 200 hour MA now (green line). So if tested today, it should be a tougher target to get below. For now, look for a move below the 1.1300 to give sellers the go-ahead to make a run to the 100 hour MA (really both need to be broken). PS For your guide there are some 1.5B of option expires at the 1.13000 level which may be stalling the fall.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	69.70	0.25	68.86	69.28	69.53	69.95	70.20
EUR-INR	78.86	0.13	78.58	78.72	78.84	78.99	79.11
GBP-INR	91.27	0.04	90.99	91.13	91.25	91.39	91.51
JPY-INR	62.37	0.27	62.11	62.24	62.34	62.47	62.57

CURRENCY IN FOCUS

GBP-INR (Apr)



Technical Strategy: Buy GBP-INR Apr AT 91.10 -91.08 with SL below 90.90 TP-91.40/91.60.

Major Economic Data and Events Schedule For 12-04-2019

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
12:45pm	EUR	French Flash Services PMI	49.8	49.1	Medium
1:00pm	-	German Flash Manufacturing PMI	45.2	44.1	High
-	-	German Flash Services PMI	55.0	55.4	Low
2:00pm	GBP	Retail Sales m/m	-0.3%	0.4%	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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