

Thursday, 4 April 2019

DOMESTIC MARKET ACTIVITY AS ON 03-04-2019

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2180397	-2.91	23412.90	48.75	3392680	49.84
EURINR	56798	2.46	607.65	36.84	78165	37.40
GBPINR	45097	-3.75	1776.94	63.76	195368	63.54
JPYINR	25485	9.27	208.7	19.81	33634	20.77

CURRENCY UPDATES

- DOLLAR INDEX**- the dollar index, which measures the greenback against a basket of six major currencies, was back down at 96.74, having risen as far as 97.08 before the news from London. The dollar strengthened against the yen but fell against the Aussie and kiwi after fresh reports alleging progress in trade talks between the U.S. and China. News of a sharp rise in China's services purchasing managers' index, which hit its highest level in 14 months, also supported risk appetite, raising hopes that the worst of China's slowdown is over. Similar PMIs from Europe will offer the next test of sentiment toward the euro, with a reading for the euro area due at 04:00 AM ET (08:00 GMT)..
- EUR/USD** - After a lacklustre start to the week, EUR/USD has posted gains on Tuesday. Currently, the pair is trading at 1.1246, up 0.37% on the day. On the release front, the focus is on the service sector. German and euro zone services PMIs indicated expansion and beat their estimates. Euro zone retail sales slowed to 0.4%, but managed to beat the forecast of 0.2%. In the U.S., this week's employment data kicks off with ADP nonfarm payrolls, which is projected to tick up to 184 thousand. As well, the ISM Non-Manufacturing PMI is expected to drop to 58.1 points. On Thursday, the ECB posts the minutes of its March meeting and the U.S. releases unemployment claims. After disappointing manufacturing PMIs in March, there was better news from services PMI reports. German and euro zone indicators came in at 55.4, and 53.3, respectively. These points to expansion, in contrast to the manufacturing PMIs, which are showing contraction. Investors are also concerned that the manufacturing PMIs have been falling for months. This is largely due to the global trade war, which continues to dampen manufacturing activity in Germany and the rest of the euro zone. The U.S. economy remains strong, but this week's key numbers have been anything but impressive. The weak durable goods orders data comes on the heels of soft retail sales numbers for March. Retail sales declined by 0.2%, shy of the estimate of +0.3%. Core retail sales declined by 0.4%, a sharp drop from the 0.9% gain a month earlier.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	68.86	-0.60	68.56	68.71	68.95	69.11	69.35
EUR-INR	77.76	-0.05	77.20	77.48	77.74	78.02	78.29
GBP-INR	90.94	0.41	89.99	90.47	90.87	91.35	91.75
JPY-INR	62.01	-0.59	61.65	61.83	62.03	62.21	62.41

CURRENCY IN FOCUS

USD-INR (Apr)



Technical Strategy: Sell USD-INR Apr AT 68.90-68.95 with SL above 69.15 TP-68.65/68.45.

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

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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