

Wednesday, 12 December 2018

DOMESTIC MARKET ACTIVITY AS ON 11-12-2018

Currency Pairs	Open Interest	% Chg	Total Trade Volume	% Chg	No of Contracts Traded	% Chg
USDINR	2060432	+4.65	25843.00	+71.57	3579210	+69.87
EURINR	77033	+3.91	648.25	+17.40	78830	+16.80
GBPINR	33361	-2.19	893.99	+10.28	98335	+10.49
JPYINR	32776	+0.27	230.52	+7.56	36045	+7.06

CURRENCY UPDATES

- DOLLAR INDEX-** The U.S. dollar slid lower against a currency basket on Tuesday while the pound found some support after a steep selloff in the previous session in the wake of a shock decision by British Prime Minister Theresa May to delay a key vote on Brexit. The U.S. dollar index, which measures the greenback's strength against a basket of six major currencies, was down 0.23% to 96.95 by 03:48 AM ET (08:48 AM GMT). The index surged 0.73% on Monday, rebounding from one-week lows boosted by the steep drop in sterling. The U.S. dollar has been pressured lower by growing view that the Federal Reserve could pause its rate hike cycle sooner than previously thought. The 10-year Treasury note yield has dropped to a three-month low this week, with dovish comments from Fed officials and soft U.S. data further sharpening views on an imminent pause in the tightening cycle. "Falling U.S. yields will eventually nudge the dollar into a downtrend, but probably not at this moment," said Junichi Ishikawa, senior FX strategist at IG Securities in Tokyo. "There just isn't enough demand for the yen, which is less of a safe haven, and the euro, with the political concerns in Europe. And there is of course the pound which is burdened with Brexit problems."
- EUR/GBP/USD -** The pound pushed higher, with GBP/USD rising 0.44% to 1.2617 after slumping 1.3% the previous day, when the pair plumbed 1.2507, its lowest since April 2017. The euro pulled back from three month highs against the pound, with EUR/GBP down 0.21% to 0.9021. Sterling weakened broadly on Monday after May called off the vote on whether to approve the Brexit withdrawal deal she negotiated with Brussels following repeated warnings from lawmakers that the scale of the expected defeat could bring down her government. May's abrupt decision opened up a range of possibilities from a no-deal Brexit, a last-minute agreement or a fresh referendum on EU membership. The euro was higher against the U.S. currency, with EUR/USD rising 0.25% to 1.1382.

TECHNICAL LEVELS

Currency Pairs	Fut. Closed	% Chg	S2	S1	Pivot	R1	R2
USD-INR	72.01	0.74	71.36	71.69	72.14	72.47	72.92
EUR-INR	82.15	0.50	81.30	81.73	82.24	82.67	83.18
GBP-INR	90.95	0.06	89.94	90.44	90.92	91.42	91.89
JPY-INR	63.81	0.33	63.20	63.51	63.92	64.22	64.63

CURRENCY IN FOCUS

GBP-INR (Dec.)



Technical Strategy: GBP-INR Dec. Sell AT 90.92 with SL above 91.10 TP-90.62/90.42.

Major Economic Data and Events Schedule For 12-12-2018

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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