

HighLights:

The dollar trimmed gains against other major currencies on Tuesday, but remained close to one-and-a-half month highs amid growing expectations for a December rate hike and a U.S. tax reform plan before the end of the year.

The U.S. dollar has also been supported in recent session by growing hopes for U.S. tax reform after the Trump administration outlined plans for a sweeping overhaul of the U.S. tax code last week.

The pound was lower, with GBP/USD down 0.20% at 1.3253, the lowest since September 14, after data showing that activity in the UK construction sector contracted for the first time in 13 months in September.

The central bank is widely expected to keep interest rates on hold at a record low of 1.5 percent with the focus on its assessment of the economy and how that could impact is monetary policy.

Market Highlights				
	Close	Prev Cls.	Price Chg	Price Chg %
Doller Index	92.89	93.42	-0.53	-0.57
USD/INR (Spot)	65.31	65.70	-0.39	-0.59
USD/INR (Nse Oct)	65.5	65.66	-0.16	-0.24
EUR/INR (Spot)	77.19	77.18	0.01	0.01
EUR/INR (Nse Oct)	77.48	77.57	-0.09	-0.12
GBP/INR (Spot)	87.43	88.15	-0.72	-0.82
GBP/INR (Nse Oct)	87.75	88.52	-0.77	-0.87
JPY/INR (Nse Oct)	58.31	58.46	-0.15	-0.26

The U.K. construction sector shrank for the first time in 13 months in September, underlining concerns over the economy and dimming the case for higher interest rates, industry data showed on Tuesday.

The Reserve Bank of Australia (RBA) on Tuesday held its cash rate steady at a record low 1.50% as expected and signaled to markets that the economy continues to improve.

Japanese companies' inflation expectations eased slightly in September from three months ago in a worrying sign the economy continues to struggle with a deflationary mindset.

British retail sales growth unexpectedly surged to a two-year high during the first part of this month, industry data showed, potentially giving the Bank of England confidence to raise interest rates as soon as November.

A measure of U.S. manufacturing activity surged to a near 13-1/2-year high in September as disruptions to the supply chains caused by Hurricanes Harvey and Irma resulted in factories taking longer to deliver goods and boosted raw material prices.

Inflationary expectations in Russia increased to 9.6 percent in September, up from 9.5 percent in August, the Russian Central Bank said on Monday. Central Bank Governor Elvira Nabiullina said in September Russia's inflationary expectations were still not anchored and required moderately tight monetary policy.

British manufacturing growth cooled last month as cost pressures lurched higher, according to a survey that could put the Bank of England a step closer to raising interest rates, despite a murky outlook ahead of Brexit.

USDINR



Technical View:

In a daily chart, USDINR has given a breakout of the falling channel and moved up strongly. So, the trend is expected to remain upward.

Moreover, price has moved above 50 SMA as well as 100 SMA; however, proximity to 200 SMA is expected to produce resistance.

In addition, momentum indicator MACD has shown positive crossover on the daily charts which suggests near term upside momentum in the prices.

For now, we expect prices should move higher towards 67 levels in the coming trading sessions.

JPYINR



Technical View:

In a daily chart, JPYINR has given an upward breakout of the falling channel & continue the rally for few days after that it has fallen from the upper zone due to profit booking on higher levels, which attracted further selling pressure in the pair for some days.

Moreover, price has failed to sustain above the 200 SMA which indicates the near term momentum to remain weak for the pair.

In addition, momentum indicator MACD has shown negative crossover which suggests further downside momentum in the price.

For now, we expect prices should move down towards 56.50 levels in the coming trading sessions.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
USDINR	65.32	65.54	65.62	65.76	65.84	65.98	66.20
JPYINR	57.99	58.11	58.16	58.23	58.28	58.35	58.47

GBPINR

EURINR



Technical View:

In a daily chart, the price has given a channel breakout which suggests, strong upward move over the short to medium term. However, price may find resistance around the earlier trading range high (pegged around 89.20).

Moreover, price has been trading above its major SMAs indicates bullish movement in the price.

In addition, momentum indicator MACD has shown positive crossover on the daily charts which suggests near term upside momentum in the prices.

For now, we expect prices should move higher towards 88 levels in the coming trading sessions.

Technical View:

In a daily chart, the price has formed channel pattern in daily chart & given breakout of the above pattern, so the pattern suggests, continuation of its upwards movement in the days to come.

Moreover, price has been trading above its major SMAs indicates bullish movement in the price.

In addition, momentum indicator MACD has shown positive crossover on the daily charts which suggests near term upside momentum in the prices

For now, we can expect prices should move higher towards the 79 levels in the coming trading session.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
EURINR	76.65	76.94	77.13	77.23	77.42	77.52	77.81
GBPINR	86.60	86.93	87.06	87.26	87.39	87.59	87.92

Economic Indicators

Date	Time	Data	Prior	Expected	Impact
04.10.2017	05:45 PM	ADP Non-Farm Employment Change	237K	-15.8B	'Actual' greater than 'Forecast' is good for currency; USDINR
04.10.2017	07:30 PM	ISM Non-Manufacturing PMI	55.3	55.3	'Actual' greater than 'Forecast' is good for currency; USDINR
04.10.2017	07:30 PM	ECB President Draghi Speaks			

Kkunal Parar
Sr. Research Associate
Kkunal.parar@choiceindia.com

Ankur Lakhotia
Sr. Research Associate
ankur.lakhotia@choiceindia.com

Rupak De
Research Associate
rupak.de@choiceindia.com

Sachin Gupta
Research Associate
sachin.gupta@choiceindia.com



customercare@choiceindia.com



www.choicebroking.in



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