Currency Highlights

06th Oct'2017

HighLights:

The dollar edged higher against a basket of currencies on Thursday as investors consolidated positions after a recent rise, with minutes from the European Central Bank's latest meeting likely to be the key event of the day.

The euro zone's central bank also mentioned the potentially negative aspects of a strong euro at the September policy meeting, so markets will look closely at the minutes to gauge what was discussed about the currency.

The Aussie dipped slightly in early Asia on Thursday ahead of trade data and in a quiet market with Fed Chair Janet Yellen refraining from remarks on monetary policy at a community banking conference in St. Louis.

The dollar strengthened earlier in the week on speculation that Warsh might be the leading candidate to replace Yellen.

Market Highlights				
	Close	Prev Cls.	Price Chg	Price Chg %
Doller Index	93.46	93.42	0.04	0.04
USD/INR (Spot)	65.11	65.70	-0.59	-0.90
USD/INR (Nse Oct)	65.31	65.66	-0.35	-0.53
EUR/INR (Spot)	76.46	77.18	-0.72	-0.93
EUR/INR (Nse Oct)	76.76	77.57	-0.81	-1.04
GBP/INR (Spot)	85.79	88.15	-2.36	-2.68
GBP/INR (Nse Oct)	86.05	88.52	-2.47	-2.79
JPY/INR (Nse Oct)	58.14	58.46	-0.32	-0.55

A more than eight-year bull market on Wall Street will simmer for the rest of 2017 before picking up again next year, said strategists in a Reuters poll who were optimistic about corporate profits but concerned about slow tax reform progress.

U.S. companies likely slowed their hiring of workers in September in the aftermath of disruptions from Hurricanes Harvey and Irma that hammered Texas and Florida, Moody's Analytics' chief economist Mark Zandi said on Wednesday.

Germany's main auto industry lobby said registrations of new passenger cars will grow more rapidly than expected this year, thanks to carmakers' incentives to trade in old diesel models and the country's robust economy.

Chinese data in coming weeks is expected to deliver exactly what its leaders want to hear ahead of a highly sensitive Communist Party Congress - the country's economic growth remains robust and resilient even as they work to get debt risks under control.

Japan's services sector expanded in September at the slowest rate in 11 months as the pace of new orders eased, though a raft of other data suggest the economic recovery remains intact even as momentum may have ebbed slightly in the third quarter.

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.

Brazilian inflation likely slowed to a near halt in September, a Reuters poll of economists showed on Tuesday, further bolstering bets that the government will undershoot its target range in 2017 for the first time ever.

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USDINR

Technical View:

In a daily chart, USDINR has given a breakout of the falling channel and moved up strongly but on the upper side it has faced a resistance of the daily trend line & pullback from the upper range, which indicate short term correction in the pair.

Moreover, price has moved below 200 SMA, which suggest near term down movement in the prices.

In addition, momentum indicator RSI has shown negative baseness in the price as it has traded near its overbought zone, which suggest prices have been exhausted & ready to take a correction for short term.

On the basis of above technical structure, we expect prices should move lower towards 64.20 levels in the coming trading sessions.

JPYINR

Technical View:

In a daily chart, JPYINR has given a downward breakout of the rising channel & traded into the falling channel range, which attracted further selling 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	64.40	64.86	65.04	65.32	65.50	65.78	66.24
JPYINR	57.50	57.83	57.94	58.16	58.27	58.49	58.82

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GBPINR

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.

EURINR

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 nad prices traded above "zero" line, 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	75.94	76.46	76.66	76.98	77.18	77.50	78.02
GBPINR	85.71	86.26	86.47	86.81	87.02	87.36	87.91

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Economic Indicators					
Date	Time	Data	Prior	Expected	Impact
06.10.2017	06:00PM	Employment Change	22.2k	13.9k	'Actual' greater than 'Forecast' is good for currency; CADINR
06.10.2017	06:00PM	Unemployment Rate	6.3%	6.2%	'Actual' less than 'Forecast' is good for currency; CADINR
06.10.2017	06:00PM	Average Hourly Earnings m/m	0.3%	0.1%	'Actual' greater than 'Forecast' is good for currency; USDINR
06.10.2017	06:00PM	Non-Farm Employment Change	156k	82k	'Actual' greater than 'Forecast' is good for currency; USDINR
06.10.2017	06:00PM	Unemployment Rate	4.4%	4.4%	'Actual' less than 'Forecast' is good for currency; USDINR

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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

follow us on twitter

LinkedIn

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Kkunal Parar

Digitally signed by Kkunal Parar
DN: cn=Kkunal Parar, o=Choice Equiy Broking Pvt Ltd., ou=Research Dept., email=kkunal.parar@choiceindia.com, c=IN
Date: 2017.10.06 08:48:45 +05'30'

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