

HighLights:

- RBI kept repo rate unchanged in its meeting on Thursday
- India's Nikkei Services PMI grew to 51.5-mark in March
- US Unemployment Claims fell to 234,000 w/e 31st Mar'17
- German Factory Orders grew by 3.4 percent in February

Indian Rupee rose to 20-month high and appreciated around 34 paise to end at 64.54 against the US dollar on Thursday. The currency appreciated after central bank unexpectedly hiked the reverse repo rates in its meeting yesterday. Further, constant inflow of foreign funds in equities and debt markets led to positive movement in the currency. So far this year, rupee gained 5.25% while foreign institutional investors have bought \$6.79 billion and \$5.34 billion from local equity and debt markets, respectively.

Indian Rupee moved in the range of 64.515 to 65.105 in Thursday's trade. The Reserve Bank of India (RBI) fixed reference rate for the dollar was seen at 64.9791 and Euro stood at 69.3912 as on 6th Apr'17.

Market Highlights				
	Last	Prev Cl.	Price Chng	Price Chng %
Dollar Index	100.58	100.56	0.02	0.02
USD/INR (Spot)	64.78	65.05	(0.27)	(0.42)
USD/INR (Nse Apr.)	64.94	65.09	(0.15)	(0.23)
EUR/INR (Spot)	69.11	69.17	(0.06)	(0.09)
EUR/INR (Nse Apr.)	69.36	69.54	(0.18)	(0.26)
GBP/INR (Spot)	80.77	81.21	(0.44)	(0.54)
GBP/INR (Nse Apr.)	81.05	81.30	(0.25)	(0.31)
JPY/INR (Nse Apr.)	58.70	58.78	(0.08)	(0.14)

India's Nikkei Services Purchasing Managers Index (PMI) grew by 1.2 points to 51.5-mark in March as against a rise of 50.3-level in February. RBI kept repo rates unchanged at 6.25 percent and reverse repo rate was hiked by 25 bps to 6 percent respectively in its meeting on Thursday. Moreover, the central bank cuts if Marginal Standing Facility (MSF) to 6.5 percent.

For the month of April 2017, FII inflows in equities totalled at Rs.4555.09 crores (\$702.19 million) as on 6th April 2017. Year to date basis, net capital inflows stood at Rs.44186.67 crores (\$6699.77 million) as on 6th April 2017.

US Dollar Index grew by 0.13 percent in Thursday's trading session due to favourable economic data from the country. However, rise in risk appetite in global market sentiments which led to decline in demand for the low yielding currency capped gains in the currency.

US Unemployment Claims plunged by 25,000 to 234,000 for the week ending on 31st Mar'17 from 259,000 in previous week.

Euro against dollar fell around 0.18 percent on Thursday on account of strength in the dollar index. However, upbeat global market sentiments along with favourable economic data from the region cushioned sharp fall in the currency.

German Factory Orders grew by 3.4 percent in February as against a decline of 6.8 percent in January. Euro Zone Raw Materials Price Index (RMPI) plunged by 0.4 points to 49.5-mark in March from 49.9-level in February.

The Sterling Pound declined around 0.1 percent in Thursday's trade on account of stronger dollar. However, upbeat global market sentiments coupled with favourable economic data from the country restricted sharp negative movement in the currency.

UK's Housing Equity Withdrawal was at a deficit of 10.2 billion Pounds in Q4 of 2016 from a previous deficit of 11.2 billion Pounds in earlier quarter.

The Japanese Yen against dollar depreciated around 0.1 percent in Thursday's trading session due to rise in risk appetite in global market sentiments which led to decline in demand for the low yielding currency.

USDINR



Technical View:

On a daily hourly chart, it has been observed that the pair has completed a **“Bullish Crab Harmonic”** pattern at 64.95 levels the coordinates of which are as follows:
Technical Parameter: XA of the leg from 66.74 to 68.83.
 AB of the leg completed at 68.83 (i.e.61.8% of XA leg.)
 BC of the leg completed at 67.44 (i.e. near 61.8% of AB leg) CD of the leg completed at 64.95 level. (i.e. 161.8% of XA and 312% of BC leg).

A momentum indicator RSI has remained in oversold zone territory at 29.50 levels, which suggest further possibilities of bounce back in the prices.

In addition, momentum indicator MACD has shown positive crossover which suggests further upside momentum can be seen in the prices on a daily chart.

So for trading perspective, one can buy USDINR in the range of 64.88 with SL of 64.68 for the target of 65.30 levels.

JPYINR



Technical View:

On a daily chart, the pair has been trading in horizontal channel pattern from past few months and price has faced the resistance of its horizontal channel pattern at 59.25 levels.

Moreover, prices have been trading below its 50 DSMA which gives the sign of bearishness in the prices.

On a daily chart momentum indicator, RSI is trading below 60 levels which indicate downside in the prices.

In addition, momentum indicator MACD has shown negative crossover which suggests a lack of strength in the prices on a daily chart.

So for trading perspective, one can sell JPYINR in the range of 58.80 with SL of 59.10 for the target of 58.20 levels.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
USDINR	64.40	64.72	64.83	65.04	65.15	65.36	65.68
JPYINR	58.05	58.44	58.57	58.83	58.96	59.22	59.61

GBPINR



Technical View:

The pair has been trading in “**Falling Channel**” pattern from past few weeks and price has faced the resistance of its upper band of the pattern at 82 levels on a daily chart.

Moreover, prices have been trading below 50 HSMA, which suggest short term trend looks down.

Moreover, momentum indicator MACD has given negative crossover on a daily chart, which gives the sign of bearishness in the prices.

A momentum indicator RSI has been trading near its resistance levels on the daily chart, which suggests the possibilities of further downside momentum in the prices.

For now, we expect prices should move lower towards 80.20 levels in the coming trading sessions.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
GBPINR	80.05	80.62	80.82	81.19	81.39	81.76	82.33
EURINR	68.71	69.09	69.23	69.47	69.61	69.85	70.23

EURINR



Technical View:

On a daily chart, prices have been trading in falling channel pattern from past few weeks and price has faced the resistance of its upper band of channel pattern at 71.20 levels.

The pair has taken the resistance of its horizontal trend line at 70.10 levels o daily chart.

The pair has been trading above its 50 HSMA on a daily chart, which suggests further negative momentum can be seen in the prices.

On a daily chart momentum oscillator, RSI has remained below 40 levels on a daily chart, which suggests bearishness in the prices.

A momentum indicator MACD has shown negative crossover on a daily chart, which supports our bearish view on the prices.

For now, we can expect prices should move lower towards 68.60 levels in the coming trading session.

Economic Indicators					
Date	Time	Data	Prior	Expected	Impact
07.04.17	10:30 AM	Leading Indicators	104.9%	104.7%	Actual > Forecast = Good for currency; JPYINR
07.04.17	02:00 PM	Manufacturing Production m/m	-0.9%	0.3%	Actual > Forecast = Good for currency; GBPINR
07.04.17	02:30 PM	BOE Gov Carney Speaks			More hawkish than expected = Good for currency; GBPINR
07.04.17	06:00 PM	Average Hourly Earnings m/m	0.2%	0.2%	Actual > Forecast = Good for currency; USDINR
07.04.17	06:00 PM	Non-Farm Employment Change	235K	174K	Actual > Forecast = Good for currency; USDINR
07.04.17	06:00 PM	Unemployment Rate	4.7%	4.7%	Actual > Forecast = Good for currency; USDINR

Contact Us

Kkunal Parar

Sr. Research Associate

Kkunal.parar@choiceindia.com

Amit Pathania

Research Associate

amit.pathania@choiceindia.com

Anish Vyas

Sr. Research Associate

anish.vyas@choiceindia.com

Vikas Chaudhari

Research Associate

vikas.chaudhari@choiceindia.com



customercare@choiceindia.com



www.choicebroking.in



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