Currency Highlights

09th May'2017

HighLights:

The dollar traded higher against a basket of major currencies on Monday, supported by a slump in the euro, as investors took profit in the single currency after Emmanuel Macron's victory in the French presidential election.

The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, rose by 0.54% to 98.95 by 12:58 EDT.

The euro spiked to the upside, following Centrist candidate Emmanuel Macron's victory but gains were pared, after investors decided to take profit, following a two-week rally in the single currency.

Emmanuel Macron's victory over Marine Le Pen was widely expected as he held a significant lead in the polls during the build up to the runoff vote on Sunday.

Market Highlights				
	Last	Prev Cl.	Price Chng	Price Chng %
Dollar Index	98.86	98.65	0.21	0.21
USD/INR (Spot)	64.30	64.31	(0.01)	(0.02)
USD/INR (Nse May)	64.47	64.54	(0.07)	(0.11)
EUR/INR (Spot)	70.39	70.74	(0.35)	(0.50)
EUR/INR (Nse May)	70.64	70.82	(0.18)	(0.25)
GBP/INR (Spot)	83.35	83.50	(0.15)	(0.18)
GBP/INR (Nse May)	83.58	83.51	0.07	0.08
JPY/INR (Nse May)	57.33	57.48	(0.15)	(0.26)

The euro pulled further back from highs hit against the dollar and the yen on Monday in a short lived rally after Emmanuel Macron won the French presidential election.

The victory for Macron signaled that political risks in France and across Europe are receding, in the wake of the populist surge which resulted in Brexit and propelled Donald Trump to the White House.

The euro retreated as gains had already been priced in after Macron's strong showing in the first round of voting two weeks ago.

Investors were also turning their attention to the difficulties Macron will face in implementing his proposed program of economic reforms.

Recent economic reports have indicated that the economic recovery in the euro area is gathering momentum, which is expected to give the European Central Bank more room to tighten monetary policy before the end of the year .

The dollar slid lower against the yen, with USD/JPY down 0.2% to 112.48, off an overnight high of 112.95.

The French election overshadowed Friday's U.S. jobs report, which showed that the economy added 211,000 jobs last month, beating expectations for a gain of 185,000 and the unemployment rate ticked down to 4.4%, a near a 10-year low.

The jobs data did little to alter the view that the Federal Reserve will raise interest rates in June. Markets are pricing in around a 75% chance of a hike at the Fed\'s June meeting, according to Investing.com's Fed Rate Monitor Tool.

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USDINR

JPYINR

Technical View:

On a weekly chart, the pair has formed Hammer candle stick pattern which is bullish reversal pattern and the price has taken the support of its horizontal trend line at 64.20 levels.

Moreover, prices have been trading above its 15 HSMA which gives the sign of bullishness in the prices.

A momentum indicator RSI has remained in oversold zone at 26 levels, which suggest the 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 the hourly chart.

So for trading perspective, one can buy USDINR in the range of 64.40 with SL of 64.15 for the target of 64.85 levels.

Technical View:

On a daily chart, the price has been trading in Horizontal channel pattern and price has taken the support of its lower band of the pattern at 57.30 levels.

Moreover, prices have been trading above its 10 HSMA which gives the sign of bullishness in the prices.

On a daily chart momentum indicator, RSI has taken the support of its horizontal trend line at 39 levels which indicate pull back in the prices.

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

So for trading perspective, one can buy JPYINR in the range of 57.25 with SL of 57 for the target of 57.80 levels.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
USDINR	64.17	64.30	64.39	64.43	64.52	64.56	64.69
JPYINR	56.75	57.01	57.18	57.27	57.44	57.53	57.79

GBPINR

EURINR

Technical View:

On a daily chart, the price has been trading at falling channel pattern from past few months and price has taken the support of its lower band of the pattern at 80.60 levels.

Moreover, prices have been trading above its 50 DSMA, which suggest short term trend looks up.

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

A momentum indicator RSI has remained above 50 levels on a daily chart.

For now, we expect prices should move higher towards 84.20 levels in the coming trading sessions.

Technical View:

On a daily chart, prices have been trading in falling channel pattern from past few weeks and price has taken the support of its lower band of the channel pattern at 68 levels.

The pair has taken the support of its horizontal trend line at 68.30 levels on the hourly chart.

The pair has been trading above its 50 DSMA on the hourly chart, which suggests further positive momentum can be seen in the prices.

On a daily chart momentum oscillator, RSI has remained above 50 levels, which suggests the possibilities of bounce back in the prices.

A momentum indicator MACD has shown positive crossover on the hourly chart.

For now, we can expect prices should move higher towards 71.40 levels in the coming trading session.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
GBPINR	83.06	83.31	83.44	83.56	83.69	83.81	84.06
EURINR	69.93	70.30	70.48	70.67	70.85	71.04	71.41

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| | | **Economic Indicators** | | | |
Date	Time	Data	Prior	Expected	Impact
09.05.17	11:30 AM	German Trade Balance	21.0B	21.7B	Actual > Forecast = Good for currency; EURINR
09.05.17	1:30 PM	Italian Retail Sales m/m	-0.3%	0.2%	Actual > Forecast = Good for currency; EURINR
09.05.17	07:30 AM	JOLTS Job Openings	5.74M	5.67M	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

Vikas Chaudhari

Research Associate

vikas.chaudhari@choiceindia.com

customercare@choiceindia.com

www.choicebroking.in

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