

HighLights:

The dollar traded roughly flat against a basket of major currencies on Wednesday, as investors reacted negatively to President Trump's decision to fire FBI Director James Comey.

The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, rose by 0.01% to 99.46 by 12:52 EDT.

In what was quiet day for top-tier economic data release, investors questioned whether Trump's abrupt dismissal of FBI Director, James Comey, could prove a distraction and delay the Trump administration's economic agenda.

The New York times reported that days before he was fired, Comey asked the Justice Department for additional resources for the bureau's investigation into Russia's interference in the presidential election.

Market Highlights				
	Last	Prev Cl.	Price Chng	Price Chng %
Dollar Index	99.38	99.14	0.24	0.24
USD/INR (Spot)	64.66	64.42	0.24	0.37
USD/INR (Nse May)	64.81	64.47	0.34	0.52
EUR/INR (Spot)	70.48	70.30	0.18	0.26
EUR/INR (Nse May)	70.73	70.66	0.07	0.10
GBP/INR (Spot)	83.61	83.36	0.25	0.30
GBP/INR (Nse May)	83.85	83.60	0.25	0.30
JPY/INR (Nse May)	57.03	57.33	(0.30)	(0.53)

Despite the dip in the dollar, sentiment remained bullish, as investors anticipate that the Federal Reserve will increase its benchmark rate in June, after a flurry of hawkish comments from Federal Reserve Officials.

Dallas Federal Reserve Bank President Robert Kaplan reiterated his view on Tuesday, that three total rate hikes in 2017, is the "baseline scenario" and insisted that the Fed would continue to monitor changes in economic activity, which could pave the way for a more hawkish or dovish approach to future rate hikes.

U.S. import and export prices rose more than expected in April, official data showed on Wednesday.

In a report, the U.S. Bureau of Labor Statistics said import prices increased by a seasonally adjusted 0.5% last month, compared to expectations for a 0.2% increase. Import prices advanced by 0.1% in March, revised from an initial 0.2% decline.

Export prices rose by a seasonally adjusted 0.2% in April, above forecasts for a 0.1% increase. That followed a 0.1% gain a month earlier that was revised from an initial reading of a 0.2% advance.

Meanwhile, Boston Fed President Eric Rosengren suggested that faster interest rate hikes would be needed should unemployment continue to drop below the level of "natural employment" and cause the economy to overheat.

GBP/USD traded slightly above breakeven at \$1.2938, as investors turned attention to the Bank of England's quarterly report scheduled for Thursday, which will include its economic outlook, latest interest rate decision and minutes from the most recent policy meeting.

USDINR



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 64.66 with SL of 64.46 for the target of 65.10 levels.

JPYINR



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 56.95 with SL of 56.70 for the target of 57.40 levels.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
USDINR	63.70	64.19	64.50	64.68	64.99	65.17	65.66
JPYINR	56.63	56.84	56.94	57.05	57.15	57.26	57.47

GBPINR



Technical View:

On a daily chart, the price has been trading in 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 84.40 levels in the coming trading sessions.

EURINR



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	83.34	83.57	83.70	83.80	83.93	84.03	84.26
EURINR	70.37	70.54	70.64	70.71	70.81	70.88	71.05

Economic Indicators					
Date	Time	Data	Prior	Expected	Impact
11.05.17	01:30 PM	ECB Economic Bulletin			More hawkish than expected = Good for currency; EURINR
11.05.17	02:00 PM	Manufacturing Production m/m	-0.1%	-0.2%	Actual > Forecast = Good for currency; GBPINR
11.05.17	04:30 PM	BOE Inflation Report			
11.05.17	04:30 PM	MPC Official Bank Rate Votes	1-0-8	1-0-8	More hawkish than expected = Good for currency; GBPINR
11.05.17	04:30 PM	Monetary Policy Summary			More hawkish than expected = Good for currency; GBPINR
11.05.17	04:30 PM	Official Bank Rate	0.25%	0.25%	Actual > Forecast = Good for currency; GBPINR
11.05.17	06:00 PM	PPI m/m	-0.1%	0.2%	Actual > Forecast = Good for currency; USDINR
11.05.17	06:00 PM	Unemployment Claims	238K	245K	Actual < Forecast = Good for currency; USDINR

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