

HighLights:

The dollar held onto gains against other major currencies on Friday, hovering at a one-and-a-half week high as markets had largely priced in the information given in former FBI director James Comey's testimony and as global geopolitical worries continued to subside.

Comey accused President Donald Trump of firing him to try to undermine his investigation into possible collusion by the Trump campaign team with Russia's alleged efforts to influence the 2016 presidential election.

Meanwhile, the euro remained vulnerable after the European Central Bank on Thursday cut its forecast for inflation this year to 1.5%, down from 1.7% in March.

GBP/USD was down 1.68% at a two-month low of 1.2738 after U.K. Prime Minister Theresa May said she will not be resigning and that she will seek permission from the Queen to form a new government on Friday.

Market Highlights				
	Close	Prev Cls.	Price Chg	Price Chg %
Doller Index	97.4	96.92	0.48	0.50
USD/INR (Spot)	64.31	64.27	0.04	0.06
USD/INR (Nse June)	64.4	64.39	0.01	0.02
EUR/INR (Spot)	71.79	72.05	-0.26	-0.36
EUR/INR (Nse June)	72.06	72.44	-0.38	-0.52
GBP/INR (Spot)	81.93	83.26	-1.33	-1.60
GBP/INR (Nse June)	82.33	83.43	-1.1	-1.32
JPY/INR (Nse June)	58.4	58.56	-0.16	-0.27

The announcement came after May's Conservative Party lost its parliamentary majority in Thursday's general election, potentially disrupting Brexit negotiations.

May faced calls to leave the government on Friday after the election left no single party with a clear claim to power just 10 days ahead of the start of Brexit negotiations.

Earlier Friday, the U.K. Office for National Statistics said manufacturing production increased by 0.2% in April, disappointing expectations for a gain of 0.9%. Year-on-year, manufacturing production was flat in April.

Wall Street futures pointed to a flat to higher open on Friday as markets moved past the prior day's risk events.

U.K. Prime Minister Theresa May's plan to achieve a "strong and stable" government backfired as the Conservative Party lost its majority in the results of the general elections announced on Friday.

With 649 of 650 seats declared, the Conservatives had won 318 seats. Though the biggest single winner, they failed to reach the 326-mark they would need to command a parliamentary majority. Labour had won 261 seats.

But the impact appeared to be limited to the British pound, which in turned helped the FTSE 100 lead European markets higher on Friday. Exporters in the U.K. benchmark benefit from a weaker sterling when profits in other currencies are brought home.

The European Central Bank (ECB) left policy unchanged on Thursday, in line with market expectations, though the euro was under pressure as ECB president Mario Draghi admitted that the euro area monetary authority had yet to discuss tapering plans.

Oil edged higher on Friday, but was still on track for weekly losses of around 4% as market players continued to worry over the fact that increasing production from both the U.S. and Nigeria could derail OPEC's efforts to curb the global supply glut.

USDINR



Technical View:

On a weekly chart, the pair has been trading in its horizontal channel pattern formation from past few weeks and taken the support of its lower band of the channel at 64 levels.

On a weekly chart, the pair has formed hammer candle stick pattern, which is bullish reversal candle stick pattern.

Moreover, prices have been trading above its 21 DSMA which gives the sign of bullishness in the prices.

A momentum indicator RSI has taken of its horizontal trend line at 30 levels, which suggest the possibilities of upside momentum in the prices.

So for trading perspective, one can buy USDINR in the range of 64.30 with SL of 64.10 for the target of 64.70 levels.

JPYINR



Technical View:

On a daily chart, the price has been trading in its falling channel pattern formation and price has taken the support of its lower band of channel at 56.40 levels.

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

On a daily chart momentum indicator, RSI has remained above 40 levels which indicates upside movement 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 58.30 with SL of 58.10 for the target of 58.80 levels.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
USDINR	64.22	64.39	64.50	64.56	64.67	64.73	64.9
JPYINR	57.78	58.33	58.69	58.88	59.24	59.43	59.98

GBPINR



Technical View:

On a weekly chart, the price has been trading in falling wedge formation and price has faced resistance of its upper band of wedge pattern at 84.60 levels.

The pair has faced resistance of its horizontal trend line at 84.50 levels on a daily chart.

Moreover, prices have been trading below its 21 DSMA, which suggest short term trend looks weak.

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 remained below 60 levels on a daily chart, which support our bearish view on the pair.

For now, we expect prices should move lower towards 81.60 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 69 levels.

The pair has given breakout of its horizontal trend line at 70.60 levels on the daily chart.

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

On a daily chart momentum oscillator, RSI has remained above 60 levels, which suggests the possibilities of further upside momentum 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 72.80 levels in the coming trading session.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
EURINR	72.37	72.55	72.63	72.73	72.81	72.91	73.09
GBPINR	82.89	83.17	83.30	83.45	83.58	83.73	84.01

Economic Indicators

Date	Time	Data	Prior	Expected	Impact
12.06.17	02:00 PM	CPI y/y	2.7%		Actual < Forecast = Good for currency; GBPINR
12.06.17	02:00 PM	HPI y/y	4.1%		Actual < Forecast = Good for currency; GBPINR
12.06.17	06:00 PM	PPI m/m	0.5%		Actual < Forecast = Good for currency; USDINR

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