

## HighLights:

The pound rose on Tuesday after data showing that UK annual inflation hit a four-year high last month, while the dollar slipped lower against a currency basket as investors awaited the outcome of this week's Federal Reserve policy meeting.

The annual rate of inflation in the UK accelerated to 2.9% in May, the Office for National Statistics on Tuesday said as the weaker pound continued to feed through to shop prices.

Inflation is now rising faster than the Bank of England expected. In its May inflation report the bank said it expected inflation to peak at 2.8% in the fourth quarter of this year.

Despite this the BoE is expected to keep interest rates on hold when it announces its latest monetary policy decision on Thursday.

Market Highlights				
	Close	Prev Cls.	Price Chg	Price Chg %
Doller Index	97.02	97.14	-0.12	-0.12
USD/INR (Spot)	64.36	64.47	-0.11	-0.17
USD/INR (Nse June)	64.48	64.47	0.01	0.02
EUR/INR (Spot)	72.2	72.24	-0.04	-0.06
EUR/INR (Nse June)	72.35	72.33	0.02	0.03
GBP/INR (Spot)	81.96	81.61	0.35	0.43
GBP/INR (Nse June)	82.1	82.14	-0.04	-0.05
JPY/INR (Nse June)	58.64	58.62	0.02	0.03

The inflation data comes amid political upheaval in the UK in the wake of last week's shock election result, which has given rise to questions over how the government will proceed with its plans to exit the European Union.

Meanwhile, the dollar was slightly weaker ahead of the start of the Fed's two day policy meeting later Tuesday, where the central bank is widely expected to deliver its second rate hike so far this year.

With a rate hike largely priced in investors will be watching for indications on the pace of further tightening in the second half of the year and further details on the Fed's plans for reducing its balance sheet.

The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, eased 0.15% to 97.00, holding below Friday's two-week highs of 97.47.

Morale among German investors deteriorated slightly in June after hitting an almost two year high in May, according to survey data released on Tuesday.

The ZEW research institute said its monthly survey showed its economic sentiment index fell to 18.6 from 20.6 points in the previous month. Economists had forecast a reading of 21.5.

A separate gauge measuring investors' assessment of the economy's current conditions rose to 88.0 points from 83.9 in May, compared to forecasts for a reading of 85.0. It was the highest reading since July 2011.

EUR/USD was at 1.1212 from around 1.1214 ahead of the release of the data, while EUR/GBP was at 0.8830 from 0.8829 earlier.

## 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 64.38 with SL of 64.18 for the target of 64.78 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 58.54 with SL of 58.30 for the target of 59.10 levels.

### Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
<b>USDINR</b>	64.22	64.37	64.42	64.52	64.57	64.67	64.82
<b>JPYINR</b>	58.17	58.41	58.52	58.65	58.76	58.89	59.13

## 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 81.50 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 73.10 levels in the coming trading session.

### Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
<b>EURINR</b>	71.93	72.15	72.25	72.37	72.47	72.59	72.81
<b>GBPINR</b>	81.63	81.86	81.98	82.09	82.21	82.32	82.55

## Economic Indicators

Date	Time	Data	Prior	Expected	Impact
14.06.17	02:00 PM	Average Earnings Index 3m/y	2.4%	2.4%	Actual < Forecast = Good for currency; GBPINR
14.06.17	06:00 PM	CPI m/m	0.2%	0.2%	Actual < Forecast = Good for currency; USDINR
14.06.17	06:00 PM	Core CPI m/m	0.1%	0.2%	Actual < Forecast = Good for currency; USDINR
14.06.17	06:00 PM	Core Retail Sales m/m	0.3%	0.2%	Actual < Forecast = Good for currency; USDINR
14.06.17	06:00 PM	Retail Sales m/m	0.4%	0.1%	Actual < Forecast = Good for currency; USDINR

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