

## HighLights:

The dollar fell against a basket of major currencies on Monday, after weaker than expected U.S. manufacturing data weighed on sentiment while a surge in the Canadian dollar added to downside momentum.

The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, fell by 0.25% to 98.80 by 13:08 EDT.

The Federal Reserve Bank of New York said its Empire State manufacturing index fell last month to minus 1, from 5.2 in April, as new orders dipped and shipment grew more quickly.

The softer manufacturing print dented traders' expectations for a June rate – according to investing.com's Fed rate monitor tool 70% of traders expect the Federal Reserve to hike its benchmark rate in June compared to nearly 80% of traders in the previous week.

| Market Highlights |       |           |           |             |
|-------------------|-------|-----------|-----------|-------------|
|                   | Close | Prev Cls. | Price Chg | Price Chg % |
| Doller Index      | 98.87 | 99.25     | -0.38     | -0.38       |
| USD/INR (Spot)    | 64.07 | 64.17     | -0.1      | -0.16       |
| USD/INR (Nse May) | 64.21 | 64.45     | -0.24     | -0.37       |
| EUR/INR (Spot)    | 70.31 | 70.22     | 0.09      | 0.13        |
| EUR/INR (Nse May) | 70.51 | 70.16     | 0.35      | 0.50        |
| GBP/INR (Spot)    | 82.88 | 82.17     | 0.71      | 0.86        |
| GBP/INR (Nse May) | 83.09 | 82.9      | 0.19      | 0.23        |
| JPY/INR (Nse May) | 56.64 | 56.67     | -0.03     | -0.05       |

The New York Federal Reserve's index of manufacturing conditions contracted for the first time in seven months in May, as new orders and shipments turned negative, official data showed on Monday.

In a report, the Federal Reserve Bank of New York said that its general business conditions index fell to -1.0 this month from a reading of 5.2 in April. Analysts had expected the index to inch up to 7.0 in May.

The new orders index dropped to -4.4, suggesting a small decline in orders, and the shipments index edged down to 10.6, indicating that shipments increased at a slightly slower pace than in April.

Labor market indicators pointed to a modest increase in both employment and hours worked, and input prices and selling prices rose at a more moderate pace.

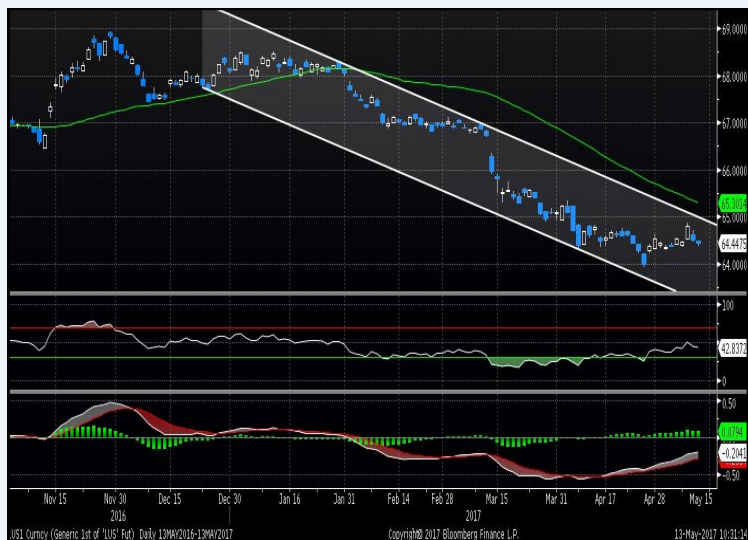
Indexes assessing the six-month outlook were close to last month's levels, and continued to convey a high degree of optimism about future conditions.

The Empire State index is of interest to traders primarily because it is seen as an early forecast of the national Institute for Supply management factory survey.

The commodity-related Canadian and Australian dollars gained ground against their U.S. counterpart on Monday, pushed higher by a bounce in oil prices.

Oil prices rallied after Saudi Arabia and Russia said Monday they believe a deal to cut oil production should be extended for a further nine months until March 2018 in a bid to slash a global supply glut.

## USDINR



### Technical View:

On a daily chart, the pair has been trading in falling channel formation from past few weeks and faced the resistance of its upper band of the channel at 64.50 levels.

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

A momentum indicator RSI has faced resistance of its horizontal trend line at 50 levels, which suggest the possibilities of downside in the prices.

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

So for trading perspective, one can sell USDINR in the range of 64.35 with SL of 64.55 for the target of 63.90 levels.

## JPYINR



### Technical View:

On a daily chart, the price has given the breakdown of its Horizontal channel pattern at 56.90 levels. The pair has been trading in falling channel formation on a daily chart.

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 has remained below 50 levels which indicates downside movement in the prices.

In addition, momentum indicator MACD has shown negative crossover and remained below signal line which suggests further downside momentum in the prices on a daily chart.

So for trading perspective, one can sell JPYINR in the range of 56.80 with SL of 57.05 for the target of 56.30 levels.

### Pivot levels for the Day

|               | S3    | S2    | S1    | Pivot | R1    | R2    | R3    |
|---------------|-------|-------|-------|-------|-------|-------|-------|
| <b>USDINR</b> | 64.08 | 64.32 | 64.41 | 64.56 | 64.65 | 64.8  | 65.04 |
| <b>JPYINR</b> | 56.11 | 56.37 | 56.50 | 56.63 | 56.76 | 56.89 | 57.15 |

## GBPINR



### Technical View:

On a daily chart, the price has been trading at falling wedge pattern from past few weeks and price has faced resistance of its upper band of wedge pattern at 84 levels.

The pair has faced the resistance of its horizontal trend line at 84.20 levels on a daily chart.

Moreover, prices have been trading below its 21 HSMA, 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 faced resistance of its horizontal trend line at 62 levels on a daily chart.

For now, we expect prices should move lower towards 82.40 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 faced the resistance of its upper band of the channel pattern at 70.20 levels.

The pair has taken the faced resistance of its horizontal trend line at 70.40 levels on the daily chart.

The pair has been trading below its 100 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 below 60 levels, which suggests the possibilities of downside in the prices.

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

For now, we can expect prices should move lower towards 69.60 levels in the coming trading session.

### Pivot levels for the Day

|               | S3    | S2    | S1    | Pivot | R1    | R2    | R3    |
|---------------|-------|-------|-------|-------|-------|-------|-------|
| <b>EURINR</b> | 69.69 | 69.98 | 70.08 | 70.27 | 70.37 | 70.56 | 70.85 |
| <b>GBPINR</b> | 82.03 | 82.70 | 82.96 | 83.37 | 83.63 | 84.04 | 84.71 |

| Economic Indicators |          |                               |       |          |   |
|---------------------|----------|-------------------------------|-------|----------|---|
| Date                | Time     | Data                          | Prior | Expected | Impact  |
| 16.05.17            | 02:00 PM | CPI y/y                       | 2.3%  | 2.6%     | Actual > Forecast = Good for currency; GBPINR |
| 16.05.17            | 02:00 PM | HPI y/y                       | 5.8%  | 5.4%     | Actual > Forecast = Good for currency; EURINR |
| 16.05.17            | 02:30 PM | Flash GDP q/q                 | 0.5%  | 0.5%     | Actual > Forecast = Good for currency; EURINR |
| 16.05.17            | 02:30 PM | German ZEW Economic Sentiment | 19.5  | 22.3     | Actual > Forecast = Good for currency; EURINR |
| 16.05.17            | 02:30 PM | Trade Balance                 | 19.2B | 18.8B    | Actual > Forecast = Good for currency; EURINR |
| 16.05.17            | 02:30 PM | ZEW Economic Sentiment        | 26.3  | 29.1     | Actual > Forecast = Good for currency; EURINR |
| 16.05.17            | 06:00 PM | Building Permits              | 1.22M | 1.27M    | Actual > Forecast = Good for currency; USDINR |

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