Currency Highlights

17th May'2017

HighLights:

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President Trump took to twitter on Tuesday to defend his decision to share sensitive information with Russia, insisting that he had "the absolute right" to share "facts" about terrorism with Russia.

This latest U.S. political saga, came a week after President Trump abruptly fired FBI chief James Comey, and added to concerns that ongoing political turmoil in Washington could prove a distraction to the Trump administration and delay its plans to move forward with its economic agenda, which includes tax reform and deregulation.

Market Highlights				
	Close	Prev Cls.	Price Chg	Price Chg %
Doller Index	98.39	98.91	-0.52	-0.53
USD/INR (Spot)	64.09	64.06	0.03	0.05
USD/INR (Nse May)	64.2	64.19	0.01	0.02
EUR/INR (Spot)	70.84	70.3	0.54	0.77
EUR/INR (Nse May)	71.01	70.5	0.51	0.72
GBP/INR (Spot)	82.61	82.6	0.01	0.01
GBP/INR (Nse May)	82.79	83.07	-0.28	-0.34
JPY/INR (Nse May)	56.55	56.62	-0.07	-0.12

The Federal Reserve said Tuesday that U.S. industrial production at factories, mines and utilities rose 1% in April from March, well above expectations for 0.4% increase.

The dollar fell to six-month lows against a basket of the other major currencies on Tuesday as fresh concerns over the Trump administration and a slate of weak U.S. housing data weighed.

The dollar came under additional selling pressure after data showing that U.S. housing startsslowed unexpectedly in April pointed to a slowdown the housing market recovery.

Housing starts fell by 2.6% to a seasonally adjusted annual rate of 1.17 million units, the Commerce Department said. It was the lowest since November and added to a recent run of disappointing U.S. economic data. Building permits fell by 2.5% the report said.

The report added to a recent run of disappointing U.S. economic data after a report on Monday showed that factory activity New York State weakened this month, as companies reported a drop in new orders.

Earlier Tuesday, sterling touched session highs of 1.2957 after data showing that UK inflationrose to its highest since September 2013 last month, underlining concerns over a squeeze on consumer spending.

The pound was pressured lower by weakness against the stronger euro, with EUR/GBP rising 0.79% to a one-and-a-half month high of 0.8575.

USDINR

JPYINR

Technical View:		**Technical View:**
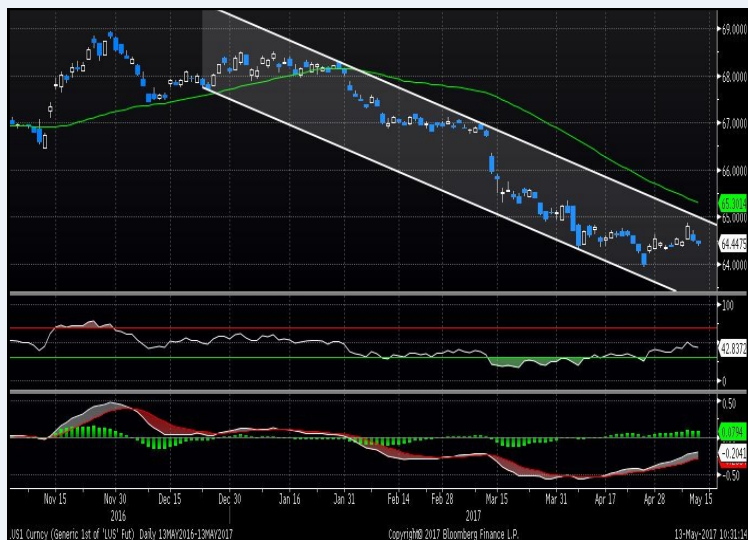
Technical View:

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.

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
USDINR	64.08	64.32	64.41	64.56	64.65	64.8	65.04
JPYINR	56.11	56.37	56.50	56.63	56.76	56.89	57.15

GBPINR

EURINR

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.

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
EURINR	69.69	69.98	70.08	70.27	70.37	70.56	70.85
GBPINR	82.03	82.70	82.96	83.37	83.63	84.04	84.71

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		Economic Indicators			
Date	**Time**	**Data**	**Prior**	**Expected**	**Impact**
17.05.17	02:00 PM	Average Earnings Index 3m/y	2.3%	2.4%	Actual > Forecast = Good for currency; GBPINR
17.05.17	02:00 PM	Unemployment Rate	4.7%	4.7%	Actual < Forecast = Good for currency; GBPINR
17.05.17	02:30 PM	Final CPI y/y	1.9%	1.9%	Actual > Forecast = Good for currency; EURINR
17.05.17	02:30 PM	Final Core CPI y/y	1.2%	1.2%	Actual > Forecast = Good for currency; EURINR
17.05.17	08:00 PM	Crude Oil Inventories	-5.2M		

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