

HighLights:

The dollar held onto modest gains against other major currencies on Thursday, helped by the release of upbeat data on U.S. jobless claims and manufacturing activity in the Philadelphia area, although ongoing political turmoil continued to weigh.

The U.S. Department of Labor said initial jobless claims in the week ending May 13 decreased by 4,000 to 232,000 from the previous week's total of 236,000. Analysts expected jobless claims to rise by 4,000 to 240,000 last week.

Separately, the Federal Reserve Bank of Philadelphia said that its manufacturing index jumped to 38.8 this month from April's reading of 22.0. Analysts had expected the index to decline to 19.5.

The greenback had weakened broadly following reports U.S. President Donald Trump asked former FBI Director James Comey to end the agency's investigation into ties between former White House national security adviser Michael Flynn and Russia.

Market Highlights				
	Close	Prev Cls.	Price Chg	Price Chg %
Doller Index	97.59	97.58	0.01	0.01
USD/INR (Spot)	64.78	64.27	0.51	0.79
USD/INR (Nse May)	64.88	64.24	0.64	1.00
EUR/INR (Spot)	72.13	71.56	0.57	0.80
EUR/INR (Nse May)	72.24	71.38	0.86	1.20
GBP/INR (Spot)	84.54	83.36	1.18	1.42
GBP/INR (Nse May)	84.61	83.34	1.27	1.52
JPY/INR (Nse May)	58.79	57.16	1.63	2.85

The U.S. dollar had already come under broad selling pressure after news that Trump shared sensitive intelligence with Russia's foreign minister in a meeting last week.

Elsewhere, GBP/USD gained 0.29% to 1.3009, not far from an eight-month peak of 1.3048 hit earlier, after the U.K. Office for National Statistics said retail sales surged 2.3% in April, handily beating forecasts for a 1% increase and rebounding from a sharp 1.4% drop in March.

The yen showed little reaction to data showing that Japan's economy grew by 2.2% year-over-year in the first quarter, ahead of economists' expectations for growth of 1.7%.

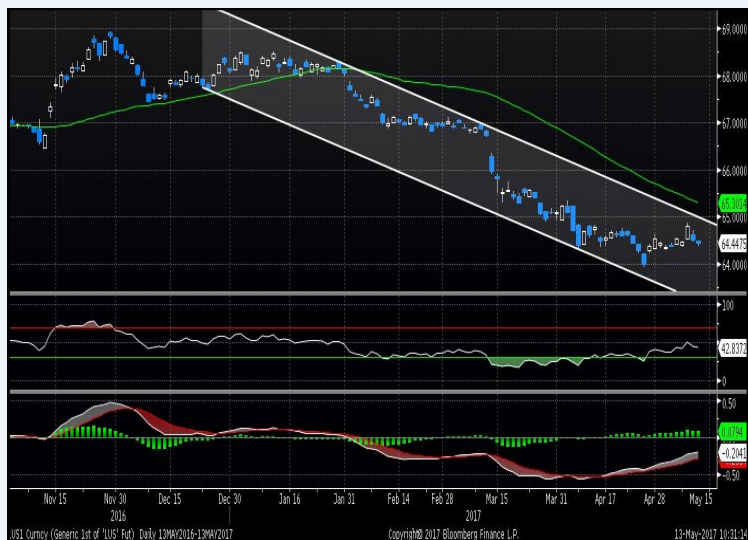
The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, was up 0.17% at 97.52, just off a fresh six-month low of 97.28 hit overnight.

According to investing.com's Fed rate monitor tool, 63% of traders expect the Federal Reserve to hike interest rates in June, compared to nearly 80% in the previous week.

The stronger bout of economic data shifted the trading narrative from the ongoing political saga in Washington to Federal Reserve monetary policy amid a fall in expectations of a June rate hike.

Recent political scandals engulfing President Donald Trump have dominated market moves and eased expectations of a June rate hike, as investors continued to fret about the impact the current political turmoil could have on Trump's ability to deliver on his pro-growth economic agenda.

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 65 with SL of 65.30 for the target of 64.40 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 59 with SL of 59.35 for the target of 58.20 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



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 84 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 71.60 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

Economic Indicators

Date	Time	Data	Prior	Expected	Impact
19.05.17	11:30 AM	German PPI m/m	0.0%	0.2%	Actual > Forecast = Good for currency; EURINR
19.05.17	01:30 PM	Current Account	37.9N	32.3B	Actual < Forecast = Good for currency; EURINR
19.05.17	07:30 PM	Consumer Confidence	-4	-3	Actual < Forecast = Good for currency; EURINR

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