Currency Highlights

24th April'2017

HighLights:

U.S. existing home sales rose more than expected in March, bolstering optimism over the health of the housing market, according to a report released on Friday by the National Association of Realtors (NAR).

The industry data showed that home resales increased by 4.4% in March to a seasonally adjusted 5.71 million units from 5.47 million units in the previous month. February's data was revised slightly lower from an initial reading of 5.48 million units.

The consensus forecast was for a 2.5% rise from February's initial reading to 5.60 million units.

The data helps to gauge the strength of the U.S. housing market and is considered to be a key indicator of overall economic strength.

The report also showed that the median existing-home price in March was $236,400, up 6.8% from March 2016 ($221,400).

Market Highlights				
	Last	Prev Cl.	Price Chng	Price Chng %
Dollar Index	99.75	99.78	(0.03)	(0.03)
USD/INR (Spot)	64.63	64.69	(0.06)	(0.09)
USD/INR (Nse Apr.)	64.64	64.61	0.03	0.05
EUR/INR (Spot)	69.34	69.25	0.09	0.13
EUR/INR (Nse Apr.)	69.21	69.46	(0.25)	(0.36)
GBP/INR (Spot)	82.75	82.89	(0.14)	(0.17)
GBP/INR (Nse Apr.)	82.65	82.73	(0.08)	(0.10)
JPY/INR (Nse Apr.)	59.28	59.25	0.03	0.05

The report indicated that the existing-home sales took off in March to "their highest pace in over 10 years, and severe supply shortages resulted in the typical home coming off the market significantly faster than in February and a year ago."

"The early returns so far this spring buying season look very promising as a rising number of households dipped their toes into the market and were successfully able to close on a home last month," NAR chief economist Lawrence Yun said.

"Although finding available properties to buy continues to be a strenuous task for many buyers, there was enough of a monthly increase in listings in March for sales to muster a strong gain," he remarked, adding that "sales will go up as long as inventory does."

After the report, EUR/USD was trading at 1.0687 from around 1.0701 ahead of the release of the data, GBP/USD was at 1.2793 from 1.2797 earlier, while USD/JPY traded at 109. compared to 109.11 before the release.

Business activity in the U.S. private sector unexpectedly weakened in April to its slowest pace in seven months, dampening optimism over the American economy, according to preliminary data released on Friday.

The dollar edged higher against other major currencies on Friday, but gains were capped as markets were still digesting Thursday's Paris terrorist attack and gearing up for the first round of France's presidential election amid ongoing U.S. political uncertainties.

Earlier Friday, research group Markit said its flash euro zone composite purchasing manager's index, which measures the combined output of both the manufacturing and service sectors increased to a six-year high of 56.7 in April from 56.4 last month, beating forecasts for a drop to 56.3.

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USDINR

JPYINR

Technical View:

On a weekly chart, the pair has given the breakdown of its horizontal channel pattern at 66 levels and price has faced the resistance of its horizontal trend line at 65.30 levels on a daily chart.

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

A momentum indicator RSI has remained below 40 levels, which suggest the possibilities of further downside in the prices.

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

So for trading perspective, one can sell USDINR in the range of 64.70 with SL of 64.90 for the target of 64.30 levels.

Technical View:

On a daily chart, the price has been trading in falling channel pattern and price has faced the resistance of its upper band of the pattern at 59.60 levels.

On a daily chart, the pair has been trading in horizontal channel pattern from past few months and price has faced the resistance of its horizontal channel pattern at 59.50 levels.

Moreover, prices have been trading below its 200 DSMA which gives the sign of bearishness in the prices.

On a daily chart momentum indicator, RSI is trading below 60 levels which indicate downside in the prices.

In addition, momentum indicator MACD has shown negative crossover which suggests a lack of strength in the prices on a daily chart.

So for trading perspective, one can sell JPYINR in the range of 59.35 with SL of 59.60 for the target of 58.80 levels.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
USDINR	64.38	64.51	64.58	64.64	64.71	64.77	64.90
JPYINR	58.74	58.97	59.13	59.20	59.36	59.43	59.66

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GBPINR

EURINR

Technical View:

On a daily chart, the price has been trading at falling wedge pattern from past few months and price has faced the resistance of its upper band of the pattern at 83 levels.

The pair has been trading in "**Falling Channel**" pattern and price has faced the resistance of its upper band of the pattern at 82.80 levels on a daily chart.

Moreover, prices have been trading below its 50 DSMA, which suggest short term trend looks weak.

Moreover, momentum indicator MACD has given negative crossover on the 4 hourly chart, which gives the sign of bearishness in the prices.

A momentum indicator RSI has faced the resistance at 60 levels on a daily chart.

For now, we expect prices should move lower towards 82 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 taken the support of its lower band of the channel pattern at 68 levels.

The pair has taken the support of its horizontal trend line at 68.30 levels on the hourly chart.

The pair has been trading above its 10 HSMA on the hourly chart, which suggests further positive momentum can be seen in the prices.

On a daily chart momentum oscillator, RSI has remained in the oversold zone at 27 levels on a daily chart, which suggests the possibilities of bounce back 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 70 levels in the coming trading session.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
GBPINR	82.02	82.38	82.52	82.74	82.88	83.10	83.46
EURINR	68.66	68.95	69.08	69.24	69.37	69.53	69.82

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Economic Indicators					
Date	Time	Data	Prior	Expected	Impact
24.04.17	02:30 PM	German Ifo Business Climate	112.30		Actual > Forecast = Good for currency; EURINR
24.04.17	07:30 PM	CB Leading Index m/m	1.2%		Actual > Forecast = Good for currency; CNY

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