

HighLights:

The dollar traded flat on Wednesday, as investors opted for caution, despite hawkish comments from Philadelphia Federal Reserve head, Patrick Harker, ahead of the release of the Fed's minutes to its May meeting.

Philadelphia Fed, Patrick Harker on Tuesday, stoked expectations for a June rate hike, after he reiterated his support for a total of 3 rate rises this year, but warned that the slower pace of inflation may deter the Fed from adopting an aggressive rate hike policy.

Investors are expected to parse the Fed minutes to its May meeting later today, to gauge whether recent economic data and geopolitical developments have deterred the U.S. central bank from its previously stated commitment of a total of three rate hikes for 2017.

The Fed kept its benchmark rate unchanged in May, and its accompanying statement highlighted that growth in economic activity had slowed in the first quarter while household spending rose "only mod-

The dollar suffered a blow against its Canadian counterpart, as USD/CAD fell to \$1.3458, down 0.41%, after the Bank of Canada kept interest rates unchanged and said recent economy data have been "encouraging".

EUR/GBP rose 0.19% to 0.8645 while EUR/USD traded flat at \$1.1178, down 0.04%, as investors appeared to take profits in the single currency, which has rallied nearly 7% year-to-date against the dollar, after Emmanuel's Macron election victory in early May, eased uncertainty surrounding the future of European Union.

GBP/USD fell to \$1.2931, as investors continued to mull over recent polls over the weekend, showing the Labour Party had narrowed the large lead that had been enjoyed by the Conservative Party.

European Central Bank (ECB) president Mario Draghi suggested on Wednesday that there would be no changes to monetary policy in the euro are at the upcoming meeting on June 8.

"Our current assessment of the side effects suggest therefore that there is no reason to deviate from the indications we have been consistently providing in the introductory statement to our press conferences," Draghi said at the First Conference on Financial Stability organized by the Bank of Spain and Centro de Estudios Monetarios y Financieros and attended by Investing.com in Madrid on Wednesday.

The ECB left interest rates unchanged at its last meeting in April and maintained its promise to continue monthly asset purchases of €60 billion (\$67.2 billion) "until the end of December 2017, or beyond, if necessary".

At that time, the ECB considered that the euro zone economy was becoming "increasing solid" and that downside risks had "further diminished", while underlying inflation pressures continued to "remain subdued".

Market Highlights				
	Close	Prev Cls.	Price Chg	Price Chg %
Doller Index	97.39	97.35	0.04	0.04
USD/INR (Spot)	64.83	64.92	-0.09	-0.14
USD/INR (Nse May)	64.86	64.91	-0.05	-0.08
EUR/INR (Spot)	72.46	72.57	-0.11	-0.15
EUR/INR (Nse May)	72.56	72.93	-0.37	-0.51
GBP/INR (Spot)	84.05	84.14	-0.09	-0.11
GBP/INR (Nse May)	84.15	84.19	-0.04	-0.05
JPY/INR (Nse May)	58.04	58.35	-0.31	-0.53

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 64.78 with SL of 64.58 for the target of 65.15 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 57.90 with SL of 57.60 for the target of 58.50 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 given breakout of its falling wedge pattern at 83.70 levels. The pair has given breakout of its horizontal trend line at 83.90 levels on a daily chart.

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

Moreover, momentum indicator MACD has given positive crossover and MACD has remained above its signal line on a daily chart, which gives the sign of bullishness in the prices.

A momentum indicator RSI has remained above 50 levels on a daily chart, which support our bullish view on the stock.

For now, we expect prices should move higher towards 84.80 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 73.40 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
25.05.17	02:00 PM	Second Estimate GDP q/q	0.3%	0.3%	More hawkish than expected = Good for currency; GBPINR
25.05.17	All Day	OPEC Meetings			
25.05.17	06:00 PM	Unemployment Claims	232K	238K	Actual < Forecast = Good for currency; USDINR

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