

## HighLights:

The euro climbed to the highest levels in almost two weeks against the dollar on Tuesday spurred higher by remarks from European Central Bank President Mario Draghi, sending the dollar broadly lower.

The euro strengthened after Draghi said factors weighing on inflation in the euro area were mainly temporary, adding that deflationary forces are being replaced by inflationary ones.

Draghi said the ECB sees growth that is above trend and well distributed across the euro area, but reiterated that “a considerable degree” of stimulus is still needed in the euro zone, and that the ECB must be “prudent” in how it unwinds it.

The U.S. dollar index, which measures the greenback’s strength against a trade-weighted basket of six major currencies, was down 0.49% at 96.62, pressured lower by the stronger euro.

The dollar was a touch lower against the yen, with USD/JPY dipping 0.12% to 111.75 as investors awaited comments later in the day by

Market Highlights				
	Close	Prev Cls.	Price Chg	Price Chg %
Doller Index	96.9	97.43	-0.53	-0.54
USD/INR (Spot)	64.53	64.42	0.11	0.17
USD/INR (Nse June)	64.54	64.52	0.02	0.03
EUR/INR (Spot)	72.7	72.05	0.65	0.90
EUR/INR (Nse June)	72.72	72.07	0.65	0.90
GBP/INR (Spot)	82.29	81.99	0.3	0.37
GBP/INR (Nse June)	82.33	82.19	0.14	0.17
JPY/INR (Nse June)	57.71	58.02	-0.31	-0.53

Traders were waiting to see if Yellen would maintain a positive outlook on the U.S. economy despite a recent batch of weak economic reports, which would support the Fed’s projection for one more rate hike this year and three rate hikes next year.

Recent weakness in economic data has raised questions over the Fed’s plans to tighten monetary policy, with investors now expecting that the pace of its tightening could be much slower than policymakers want.

Sterling was higher against the dollar, with GBP/USD putting on 0.2% to trade at 1.2748.

Earlier Tuesday, the Bank of England told British banks they will have to set aside more than £11 billion in extra capital to cover potential losses in the event of a financial downturn.

In its financial stability report, the BoE said lenders must set aside 0.5% of their assets as capital to cover potential losses if the economy weakens.

The BoE also said it is continuing contingency planning for all possible outcomes to the ongoing Brexit negotiations, including the possibility that the UK exits the EU without a deal.

The dollar dipped against a basket of the other major currencies on Tuesday as investors awaited comments later in the day by U.S. Federal Reserve Chair Janet Yellen.

The dollar touched session lows on Monday after data showed that U.S. durable goods orders unexpectedly fell by 1.1% in May after declining 0.9% in April, pointing to a loss of momentum in the manufacturing sector.

## 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 64.45 with SL of 64.20 for the target of 65.10 levels.

## JPYINR



### Technical View:

On a daily chart, the price has been trading in its falling channel pattern formation and price has faced the resistance of its upper band of channel at 58.20 levels.

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 60 levels which indicates downside movement in the prices.

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

So for trading perspective, one can sell JPYINR in the range of 57.90 with SL of 58.20 for the target of 57.30 levels.

### Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
<b>USDINR</b>	64.26	64.38	64.46	64.50	64.58	64.62	64.74
<b>JPYINR</b>	57.35	57.56	57.63	57.77	57.84	57.98	58.19

## GBPINR



### Technical View:

On a daily chart, the price has been trading in falling wedge formation and price has faced resistance of its upper band of wedge pattern at 84.60 levels.

The pair has faced resistance of its horizontal trend line at 84.50 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 a daily chart, which gives the sign of bearishness in the prices.

A momentum indicator RSI has remained below 60 levels on a daily chart, which support our bearish view on the pair.

For now, we expect prices should move lower towards 81.50 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 near its upper band of the channel pattern at 72.80 levels.

The pair has given breakout of its horizontal trend line at 74 levels on the daily chart.

However, the pair has been trading above its 50 DSMA on a daily chart, which suggests further upside momentum can be seen in the prices.

On a daily chart momentum oscillator, RSI has moved above 60 levels, which suggests the possibilities of further upside momentum in the prices.

A momentum indicator MACD has shown positive crossover on the 4 hourly chart.

For now, we can expect prices should move higher towards 74 levels in the coming trading session if the price has shown breakout of its falling channel

### Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
<b>EURINR</b>	71.34	71.93	72.33	72.52	72.92	73.11	73.7
<b>GBPINR</b>	81.64	81.94	82.14	82.24	82.44	82.54	82.84

## Economic Indicators

Date	Time	Data	Prior	Expected	Impact
28.06.17	06:00 PM	Goods Trade Balance	-67.1B	-66.2B	Actual > Forecast = Good for currency; USDINR
28.06.17	07:00 PM	ECB President Draghi Speaks			More hawkish than expected = Good for currency; EURINR
28.06.17	07:00 PM	BOE Gov Carney Speaks			More hawkish than expected = Good for currency; GBPINR
28.06.17	07:00 PM	BOJ Gov Kuroda Speaks			More hawkish than expected = Good for currency; JPYINR
28.06.17	07:30 PM	Pending Home Sales m/m			Actual > Forecast = Good for currency; USDINR
28.06.17	08:00 PM	Crude Oil Inventories	-2.5M	-2.1M	

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