

## HighLights:

The euro pulled back from the day's lows against the dollar and the yen on Tuesday, after weakening broadly earlier as European geopolitical fears sapped risk appetite.

The single currency came under pressure in early trade as worries over Greece's bailout, the prospect of early Italian general election and European Central Bank President Mario Draghi's comments about the need for continued stimulus all weighed.

The euro found some support after data showing that France's economy grew at a faster rate in the first quarter than first estimated.

That means the French economy grew twice as fast as the UK economy at the start of the year, giving a boost to new president Emmanuel Macron.

In Japan, data on Tuesday showed that labor demand rose to its highest in more than 40 years in April while the unemployment rate held steady at a two-decade low.

Sterling pushed higher, with GBP/USD rising 0.15% to 1.2859, but gains were held in check as the election race in the UK tightened, adding to political risk around Brexit.

The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, was at 97.40, off the day's highs of 97.67 as the firmer euro weighed.

Last week the index plumbed lows of 96.79, its weakest level since November 9 amid uncertainties over the Trump administration.

Investors were looking ahead to Friday's U.S. employment report, which was expected to show that conditions in the labor market remain solid. A strong U.S. jobs report would cement expectations for a rate hike by the Federal Reserve at its next meeting in June.

World stock prices slipped on Tuesday on concerns about the political outlook in Europe and U.S. economic growth, and nervous investors piled into yen and low-risk U.S. and German government bonds.

Data on Tuesday showed U.S. consumer confidence fell in May and a gauge of core U.S. inflation retreated on a year-over-year basis. Lack of progress on tax cuts and other stimulus measures from Washington has also weighed on the outlook for company profits and broader economic activity, analysts said.

"There have been some softness in U.S. economic data, and there are some less market-friendly policies in the U.S. on the margin," said Stephen Wood, chief market strategist with Russell Investments in New York.

Most Federal Reserve policymakers have not backed away from their expectations of two more rate increases by the end of 2017 as they see the U.S. economy near full employment and are confident inflation would reach its 2-percent goal.

Market Highlights				
	Close	Prev Cls.	Price Chg	Price Chg %
Doller Index	97.47	97.44	0.03	0.03
USD/INR (Spot)	64.62	64.5	0.12	0.19
USD/INR (Nse June)	64.86	64.74	0.12	0.19
EUR/INR (Spot)	72.13	72.06	0.07	0.10
EUR/INR (Nse June)	72.47	72.5	-0.03	-0.04
GBP/INR (Spot)	82.64	83.55	-0.91	-1.09
GBP/INR (Nse June)	83.51	83.24	0.27	0.32
JPY/INR (Nse June)	58.5	58.22	0.28	0.48

## 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 64.76 with SL of 64.56 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 58.30 with SL of 58 for the target of 58.90 levels.

### Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
<b>USDINR</b>	64.08	64.32	64.41	64.56	64.65	64.8	65.04
<b>JPYINR</b>	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 82.50 levels. The pair has given breakout of its horizontal trend line at 82.40 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 84.10 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 73.10 levels in the coming trading session.

### Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
<b>EURINR</b>	69.69	69.98	70.08	70.27	70.37	70.56	70.85
<b>GBPINR</b>	82.03	82.70	82.96	83.37	83.63	84.04	84.71

## Economic Indicators

Date	Time	Data	Prior	Expected	Impact
31.05.17	02:30 PM	CPI Flash Estimate y/y	1.9%	1.5%	Actual > Forecast = Good for currency; EURINR
31.05.17	02:30 PM	Core CPI Flash Estimate y/y	1.2%	1.0%	Actual > Forecast = Good for currency; EURINR
31.05.17	02:30 PM	Unemployment Rate	9.5%	9.4%	Actual > Forecast = Good for currency; EURINR
31.05.17	07:15 PM	Chicago PMI	58.3	57	Actual > Forecast = Good for currency; USDINR
31.05.17	07:30 PM	Pending Home Sales m/m	-0.8%	0.7%	Actual > Forecast = Good for currency; USDINR

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