

HighLights:

The dollar fell against a basket of major currencies on Wednesday, as political turmoil in Washington intensified, after a report that President Trump attempted to influence an ongoing FBI investigation weighed on sentiment.

The U.S. dollar index, which measures the greenback's strength against a trade-weighted basket of six major currencies, fell by 0.59% to 97.52 by 13:07 EDT.

The New York Times reported late Tuesday, that President Donald Trump asked the then-FBI Director James Comey to shut down an investigation into the actions of former National Security Advisor Mike Flynn.

Although, The White House on Tuesday denied the report, and said that the president has "never" asked Mr Comey to end any investigations, investors fled risk assets and poured into safe-havens amid the continued political saga in Washington.

Market Highlights				
	Close	Prev Cls.	Price Chg	Price Chg %
Doller Index	97.83	98.1	-0.27	-0.28
USD/INR (Spot)	64.13	63.97	0.16	0.25
USD/INR (Nse May)	64.23	64.19	0.04	0.06
EUR/INR (Spot)	71.24	70.97	0.27	0.38
EUR/INR (Nse May)	71.39	71.04	0.35	0.49
GBP/INR (Spot)	83.18	82.63	0.55	0.67
GBP/INR (Nse May)	83.33	82.8	0.53	0.64
JPY/INR (Nse May)	57.17	56.51	0.66	1.17

The dollar fell to two-week lows against the traditional safe haven yen on Wednesday and fell to its lowest levels in seven weeks against the Swiss franc as a widening political crisis in the U.S. pressured the greenback lower.

News reports emerged on Tuesday that U.S. President Donald Trump asked now sacked FBI Director James Comey in February to halt an investigation into former National Security Adviser Michael Flynn's ties with Russia.

The report raised concerns over whether Trump interfered with the judicial process and added to investor fears that the U.S. political system could become engulfed by crisis, preventing lawmakers from pushing through tax or spending reforms.

The latest revelations came as Washington was reeling after Trump fired Comey and then shared sensitive intelligence obtained from a close U.S. ally with Russia's foreign minister about an Islamic State operation.

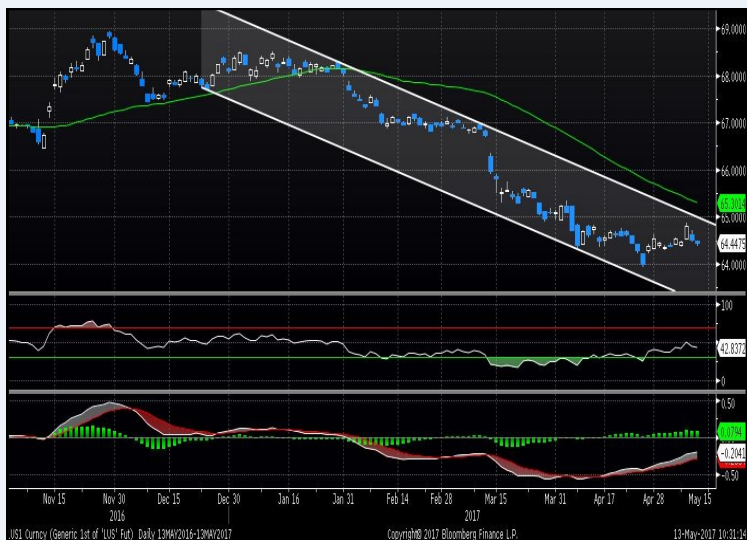
Meanwhile, the average earnings index rose by 2.4% in the three months to March, in line with expectations. Excluding bonuses, wages increased by 2.1%.

Statistics Canada reported on Wednesday that manufacturing sales increased by 1.0% in March, exceeding expectations for a 0.4% rise.

USD/JPY fell to a two-week low of \$111.35, down 1.56%, while the USD/CAD traded roughly flat at \$1.3611, buoyed by better than expected Canadian manufacturing data.

GBP/USD rose 0.16% to \$1.2938, on the back of mixed UK jobs report, after the unemployment rate fell while the claimant count rose well above analysts' expectations.

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 64.35 with SL of 64.55 for the target of 63.90 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 57.25 with SL of 57.50 for the target of 56.75 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 82.40 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 70.60 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
18.05.17	05:20 AM	Prelim GDP q/q	03%	0.4%	Actual > Forecast = Good for currency; JPYINR
18.05.17	02:00 PM	Retail Sales m/m	-1.8%	1.2%	Actual < Forecast = Good for currency; GBPINR
18.05.17	06:00 PM	Unemployment Claims	236K	240K	Actual < Forecast = Good for currency; USDINR
18.05.17	06:00 PM	Philly Fed Manufacturing Index	22	19	Actual > Forecast = Good for currency; USDINR
18.05.17	10:30 PM	ECB President Draghi Speaks			More hawkish than expected = Good for currency; GBPINR

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