

HighLights:

Industrial production in the U.S. unexpectedly stagnated in May, dampening optimism over the health of the economy, official data showed on Thursday.

In a report, the Federal Reserve said that industrial production registered no change in May from the previous month, below expectations for a 0.2% rise and compared to a gain of 1.1% in April that was revised from an initial 1.0% advance.

Meanwhile, manufacturing production unexpectedly decreased by a seasonally adjusted 0.4% last month, worse than forecasts for a 0.1% rise and following a gain of 1.1% in March that was revised slightly higher from the initial 1.0% advance.

The report also showed that the capacity utilization rate, a measure of how fully firms are using their resources, fell to 76.6% in May. Analysts had expected no change to the prior reading of 76.7%.

Market Highlights				
	Close	Prev Cls.	Price Chg	Price Chg %
Doller Index	97.22	97.43	-0.21	-0.22
USD/INR (Spot)	64.47	64.58	-0.11	-0.17
USD/INR (Nse June)	64.52	64.59	-0.07	-0.11
EUR/INR (Spot)	71.97	72.05	-0.08	-0.11
EUR/INR (Nse June)	72.16	72.14	0.02	0.03
GBP/INR (Spot)	82.38	82.39	-0.01	-0.01
GBP/INR (Nse June)	82.42	82.48	-0.06	-0.07
JPY/INR (Nse June)	57.99	58.78	-0.79	-1.34

The dollar extended gains against other major currencies on Thursday, helped by the release of upbeat U.S. data, while the Federal Reserve's decision to raise interest rates on Wednesday continued to support.

The U.S. Department of Labor said initial jobless claims in the week ending June 10 decreased by 8,000 to 237,000 from the previous week's total of 245,000. Analysts expected jobless claims to fall by 3,000 to 242,000 last week.

Separately, the Federal Reserve Bank of Philadelphia said its manufacturing index slipped only to 27.6 this month from May's reading of 38.8. Analysts had expected the index to decline to 24.0.

Meanwhile, the Empire State manufacturing index climbed to 19.80 in June from -1.00 the previous month, compared to expectations for a reading of 4.00.

The data came a day after the Fed raised interest rates from 1.00% to 1.25%, in a widely expected move. However, disappointing U.S. inflation data released the same day raised questions about whether the central bank will be able to hike rates again later this year.

GBP/USD eased 0.09% to 1.2734, after briefly hitting session highs of 1.2795 after the Bank of England left its monetary policy unchanged, in line with expectations, but members of the Monetary Policy Committee surprised markets with three dissents.

Earlier Thursday, the U.K. Office for National Statistics said retail sales fell 1.2% in May, compared to expectations for a 0.8% fall. Year-on-year, retail sales increased by 0.9% last month, compared to forecasts for a 1.7% rise.

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 64.25 for the target of 64.90 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 58.20 with SL of 58.50 for the target of 57.60 levels.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
USDINR	63.91	64.26	64.39	64.61	64.74	64.96	65.31
JPYINR	56.96	57.56	57.78	58.16	58.38	58.76	59.36

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 81.30 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 73.50 levels.

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

The pair has been trading below its 50 DSMA on a daily chart, which suggests further downside momentum can be seen in the prices.

On a daily chart momentum oscillator, RSI has remained below 60 levels, which suggests the possibilities of further downside momentum in the prices.

A momentum indicator MACD has shown negative crossover on a daily chart.

For now, we can expect prices should move lower towards 71.30 levels in the coming trading session.

Pivot levels for the Day

	S3	S2	S1	Pivot	R1	R2	R3
EURINR	71.80	72.00	72.08	72.20	72.28	72.4	72.6
GBPINR	81.66	82.10	82.26	82.54	82.70	82.98	83.42

Economic Indicators					
Date	Time	Data	Prior	Expected	Impact
17.06.17	05:20 AM	Trade Balance	0.10T		Actual > Forecast = Good for currency; JPYINR
17.06.17	05:30 PM	FOMC Member Dudley Speaks			More hawkish than expected = Good for currency; USDINR

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