

Market Outlook

Indian rupee strengthened against the US dollar ahead of the key macro data. So far this year, the rupee has gained 5.62%, while foreign institutional investors have bought \$6.35 billion and \$8.2 billion from local equity and debt markets, respectively. The 10-year bond yield was trading at 6.912% compared to its previous close of 6.942%. Inflation based on the wholesale price index (WPI) slipped to 3.85 percent (provisional) for the month of April 2017 as compared to 5.29 percent (provisional) for the previous month under the new series. March IIP stands at 2.7 percent vs 1.9 percent in February.

Fundamental News

- Dollar posts worst week in 9 months.
- GDP up by 0.5% in both the euro area and the EU28.
- Japan Q1 GDP Expands 0.5% vs. 0.4% Expected.
- French consumer prices rose by 0.1% over a month and by 1.2% year on year.
- Annual inflation up to 1.9% in the euro area.

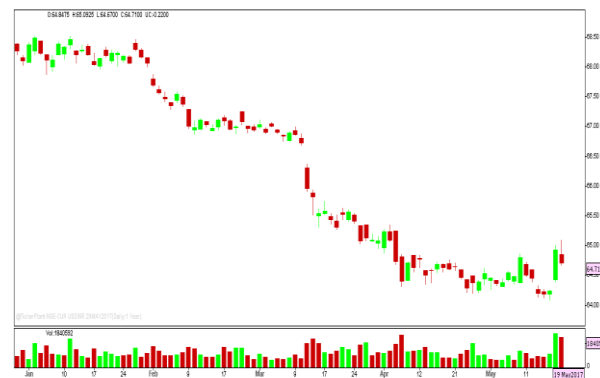
Currency Future

Currency	Date	Date	% Chg
	12-05-17	19-05-17	
USDINR	64.4500	64.7100	+0.40%
EURINR	70.1600	72.2800	+3.02%
GBPINR	82.9025	84.1825	+1.54%
JPYINR	56.6750	58.0900	+2.49%

Global Updates

- UK consumer price inflation was 2.6% in April 2017, up from 2.3% in March.
- ZEW Indicator of Economic Sentiment for Germany continued to increase in May 2017.
- Declines in U.S. Housing Starts, Permits Show Sector Weakness.
- US Unemployment Insurance Weekly Claims was 232,000, a decrease of 4,000 from the previous week.
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- European Monetary Union Current Account n.s.a: €44.8B (March) vs €27.9B.

USDINR



Reference Rate

Currency	Date	Date	%
	12-04-17	19-05-17	Change
USDINR	64.3043	64.9906	+1.06%
EURINR	69.8859	72.2955	+3.44%
GBPINR	56.5600	58.4400	+3.23%
JPYINR	82.8690	84.1823	+1.58%

Currencies vs \$

Currency	12-04-17	19-05-17	% Chg
Rupee	64.24	64.46	+0.34%
Dollar Index	99.13	97.00	-2.14%
Euro	1.0931	1.1208	+2.53%
Pound	1.3035	1.2891	-1.10%
Japanese Yen	111.50	111.26	-0.21%
Swiss Franc	1.0007	0.9730	-2.76%
Canadian\$	113.34	111.26	-1.83%

Global Commodities

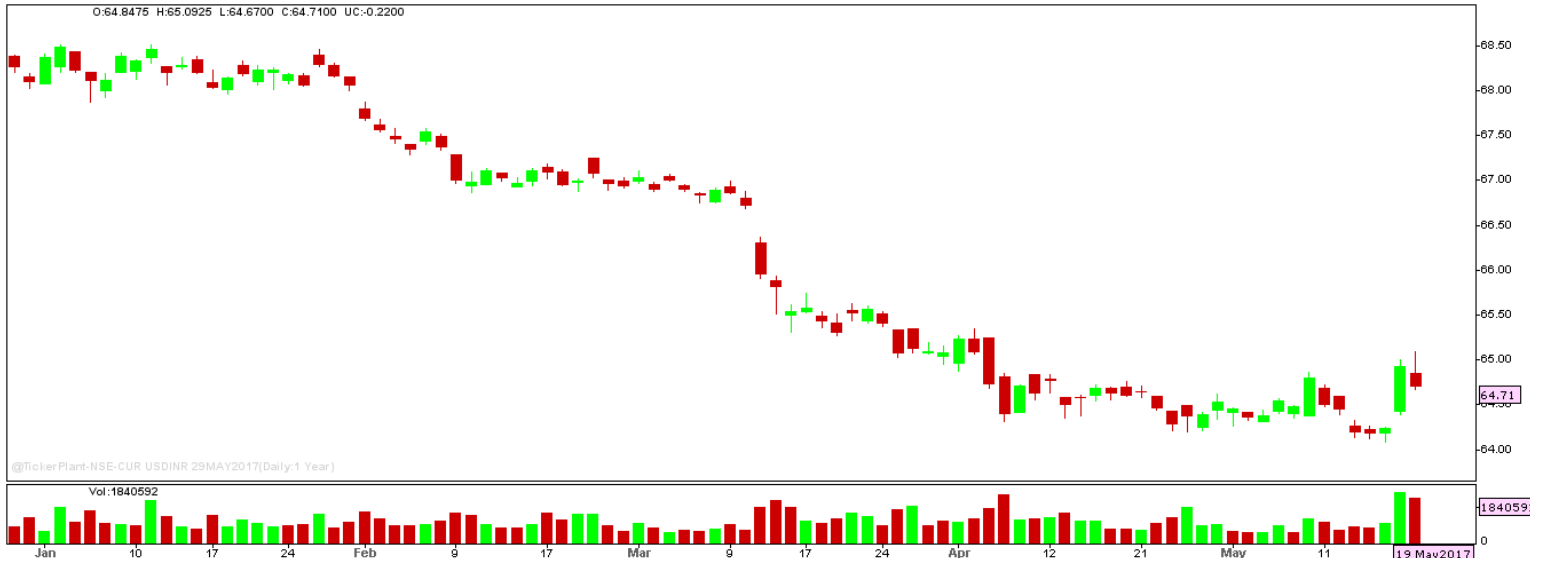
Commodity	12-04-17	19-05-17	% Chg
Gold	1229.92	1254.80	+2.02%
Silver	16.53	16.81	+1.69%
Crude	48.54	50.71	+4.47%
Copper	2.5175	2.5688	+2.03%

OUR PREVIOUS CALLS UPDATE

Weekly pick

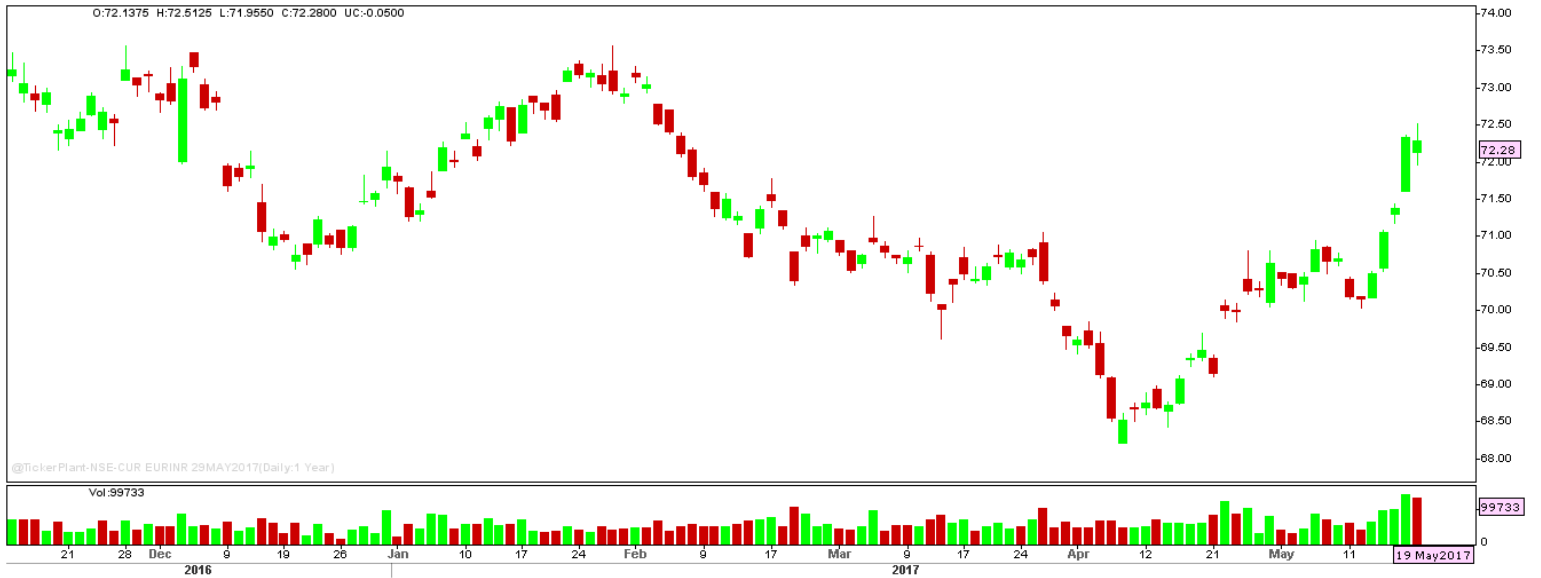
Date	Currency	Entry	Exit	P/L
15/05	JPYINR(S)	56.60	57.20	-24000

USDINR



USDINR last week sustained on lower side for the first half of the week but a sudden surge took it towards higher levels. On daily chart, 65.0000 is acting as crucial resistance for the currency pair and strength can be seen only if it sustains above the same whereas 64.0000 may act as major support for the currency pair.

EURINR



EURINR last week traded positively on successive sessions and closed the week on strong note. The currency pair surpassed the important level of 71.3000 which is a strong signal and now 72.5000 has been acting as immediate resistance.

Pivot Table

Currencies	S1	S2	S3	R1	R2	R3
USDINR	64.4000	64.0000	63.6000	65.1000	65.5000	65.9000
EURINR	71.7000	71.3000	70.8000	72.7000	73.2000	73.6000
GBPINR	83.3000	82.7000	82.1000	84.7000	85.2000	85.6000
JPYINR	57.7000	57.3000	56.9000	58.5000	58.9000	59.3000

Event Calendar 22nd May to 26th May 2017

Date	Time	Currency	Event	Forecast	Previous
22-May	All Day	EUR	Eurogroup Meetings	-	-
23-May	1:30pm	EUR	German Ifo Business Climate	-	112.9
23-May	2:00pm	GBP	Public Sector Net Borrowing	-	4.4B
23-May	2:30pm	GBP	Inflation Report Hearings	-	-
23-May	7:30pm	USD	New Home Sales	-	621K
24-May	12:30pm	EUR	French Flash Manufacturing PMI	-	55.1
24-May	1:00pm	EUR	German Flash Manufacturing PMI	-	58.2
24-May	1:30pm	EUR	Flash Manufacturing PMI	-	56.7
24-May	1:30pm	EUR	Flash Services PMI	-	56.4
24-May	11:30pm	USD	FOMC Meeting Minutes	-	-
25-May	2:00pm	GBP	Second Estimate GDP q/q	-	0.3%
25-May	2:00pm	GBP	Prelim Business Investment q/q	-	-0.9%
25-May	6:00pm	USD	Unemployment Claims	-	-
26-May	6:00pm	USD	Core Durable Goods Orders m/m	-	0.0%
26-May	6:00pm	USD	Prelim GDP q/q	-	0.7%
26-May	6:00 pm	USD	Durable Goods Orders m/m	-	0.9%



JPYINR closed below the major support zone on daily chart and the trend still seems to be bearish.

SELL BELOW 56.6000 TARGET 56.2000 SL 57.2000.

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