

FROM RESEARCH DESK

Important Highlights

U.S. Jobless claims dropped to 240,000, falling by 5000 from previous week's figure of 245,000, in the week ended July 29.

Euro zone retail sales climbed 0.4% on a monthly basis in May, faster than the 0.1% rise in April and the 0.3% increase as market forecasted.

Bank of England Monetary Policy Committee kept their cautious stance, with rates remaining at a record low of 0.25%. The BOE said it now expects Britain's economy to grow by 1.7% this year, down from its May forecast of 1.9%

Reserve Bank of India led Monetary Policy Committee Wednesday cut the repo rate by 25 basis points to 6% amid expectation of likely to rebound in the second-half while keeping the policy stance unchanged at "neutral".

U.S. unemployment rate ticked down to 4.3% in July from 4.4% the previous month, in line with expectations.

U.S. Labor Department said the economy added 209,000 jobs last month, blowing past expectations for an increase of 183,000.

Japan's industrial output for June rose 1.6% following a 3.6% decline in May, compared to a market expectation of 1.7% and rebounding with global demand.

Euro zone Purchasing Manager Index for the manufacturing sector in Jul dropped to 56.6, failing the market expectation of a fall to 56.8 from the last month's figure of 57.4.

Germany's factory orders rose more than market expectation in June. Orders grew 1% in June. Market expectation was a growth by 0.5%.

Weekly Change & Technical levels

NSE/BSE/MSEI August Future

Currency Pair	LTP	Wk % Change	R1	R2	Pivot	S1	S2
USDINR	63.78	-0.98	63.8933	64.0167	64.3167	64.1933	64.6167
EURINR	75.78	0.37	76.1600	76.5400	75.8100	75.4300	75.0800
GBPINR	83.91	-0.56	84.7500	85.6200	84.3100	83.4400	83.0000
JPYINR	57.99	0.08	58.4200	58.8450	58.0350	57.6100	57.2250

Currency against U.S. dollar

Currency Pair	LTP	Wk % Change	R1	R2	S1	S2	Trend (wk)
DOLLAR INDEX	93.37	0.18	93.8633	94.3567	92.6433	91.9167	Bearish
EURUSD	1.1771	0.18	1.1879	1.1987	1.1693	1.1615	Bullish
GBPUSD	1.3043	-0.70	1.3198	1.3353	1.2956	1.2869	Bullish
USDJPY	110.69	0.00	111.203	111.716	110.013	109.3367	Bearish

Foreign exchange reserves, in billion \$

	July 28, 2017	Change in\$ (Wk)
Total Reserves	\$392.86 bln	up \$1.53 bln

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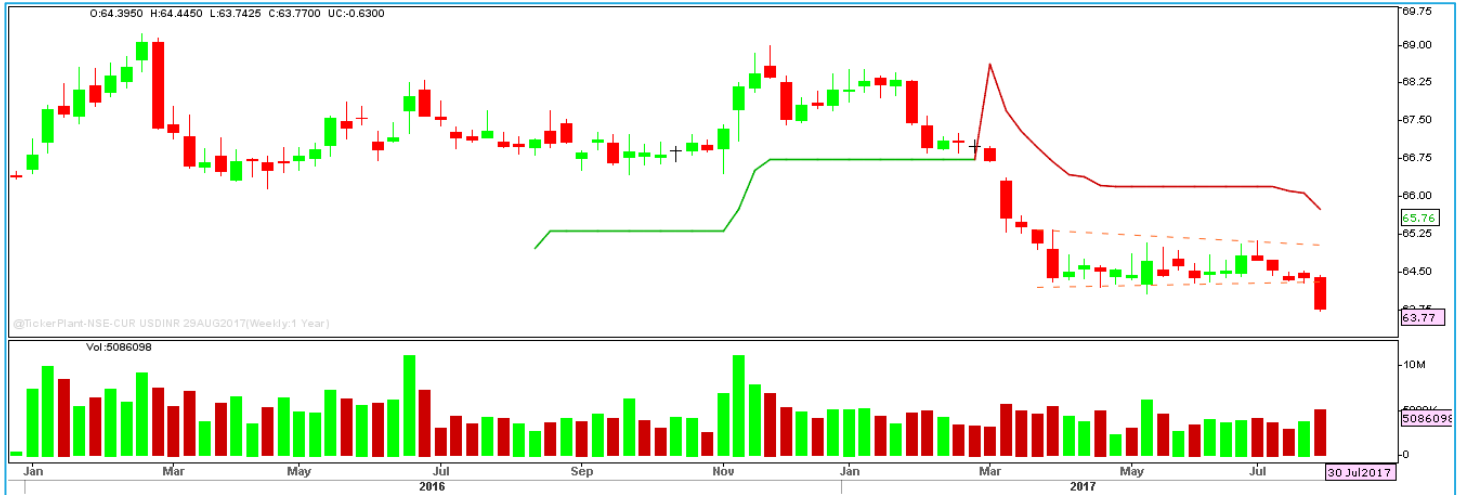
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USD-INR August Future

LTP	Sell around	1 Target	2 Target	Stop loss
63.77	63.90-64.00	63.50	63.25	65.25



Dollar/rupee drop 0.90%, witnessed its biggest weekly falls since 2 April 2017. Pair drops towards nearly two year low after exporters offloaded their earnings amid more overseas inflows into local shares. Further, global weakness in the greenback, causing the Dollar Index, plunged to 15-month low on Wednesday after weak economic data from the US amid uncertainty over Federal Reserve's interest rate stance amid concern about US President Donald Trump's administration continued added selling pressure.

Technical, on the weekly chart, USDINR broke bearish rectangle triangle pattern at 64.35 which indicating that pair may fall towards 63.20 and below. Since 2 April 2017, USDINR has been traded in between 65.20-64.35 and breakdown of the crucial support is also indicating for bearishness in near term. On the upside, immediate resistance is seen at 64.55 and a break above it one could see upside move towards 64.85-65.00.

Dollar Index

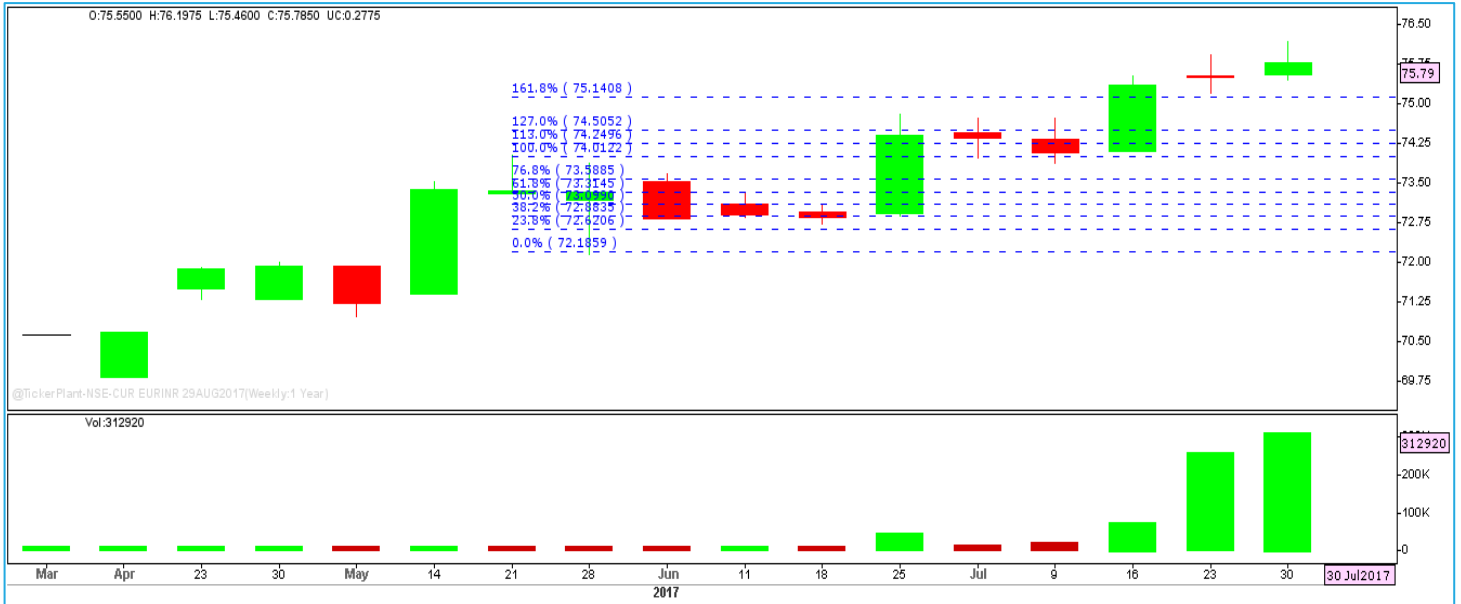


Better than expected employment data in the U.S on Friday witnessed more than 0.70% pullback in dollar index. It rebounded from 92.58 and settled at 93.37. On the weekly basis gained 0.18%. Since 16 June 2017, greenback had been under constant pressure from the 97.50 levels and fell almost 4.75%. Recently it made a low 92.39 levels amid worries over political turmoil in Washington and recent lackluster economic reports, which have raised doubts over whether the Federal Reserve will raise rates again this year.

Technically, Weekly price action resulted in formation of hammer which creating somewhat probability for temporary gain before next any bearish move. As a breakdown of its crucial support 93.30 in last week is yet indicating bearish outlook. On the upside, 93.75 will act as an immediate resistance and dollar index would need to cross it in order to test 94.15-94.80, else it may test 92.35-92.10 very soon.

EUR-INR August Future

LTP	Buy around	1 Target	2 Target	Stop loss
75.78	75.40-75.45	74.85	76.10	75.15



Euro/Rupee retreated from the weekly high 76.1975 and settled at 75.7850 levels. Weak Purchasing Managers Index data from the Euro zone released on Tuesday contributed somewhat profit booking. Further, Euro weakened more than 0.80% against the dollar after the US jobs report came in stronger than expected.

Technically, Weekly price action resulted in formation of doji candle stick which indicating for indecisive trend. However, EURINR settled above its previous swing breakout which yet creating probability for bullish trend. Hence, buy around 75.50-75.60 is recommended for the target 75.95 and 76.25. On the downside, crucial support is seen at 75.15 breaks below only could see correction towards 74.85-74.55.

GBP-INR August Future

LTP	Buy around	1 Target	2 Target	Stop loss
84.35	84.30-84.35	84.75	85.00	83.98



GBPINR retreated more than 0.50% last week and settled at 83.88 compared to previous close of 84.3550 after the Bank of England left interest rates on hold at record lows and cut its economic growth forecast for this year and next. Initially, strong UK purchasing managers' index data has sparked and it jumped towards 85.1825.

Technically, from start of the July GBPINR trading in between the range of 83.50-85.00 levels, where it retreating from every high 84.80-85.00. However, it remained above its crucial support 83.00 levels. This week, 83.75 will act as an immediate support and below it will expect to test 83.35-83.10; else any momentum recovery could attract selling activities.

JPY-INR August Future

LTP	Sell around	1 Target	2 Target	Stop loss
57.99	57.95-58.05	57.50	57.10	58.30



JPYINR retreated from the weekly high 58.46 and tested 57.6575 before closing at 57.9950 levels. The currency pair jump towards weekly high following to the greenback which plunged on uncertainty over the US political outlook after the US President Donald Trump fired recently hired White House communications director. However, it gained 0.27% on Friday on a report of stepped up legal activity into allegations Russia colluded to interfere in the U.S. elections

Technical, On the weekly chart, JPYINR failed to break its falling parallel line and formed a doji candle stick. This week, pair would need to break above 58.35 in order to test 58.65-59.00. Else, failure of the break out could result plunged towards 57.45-57.00.

High Impact Economic Data & Events Schedule during the week

Date	Time	Currency	Economic Indicators	Forecast	Previous	Impact
08.08.17	Tentative	CNY	Trade Balance	292B	294B	Negative
09.08.17	7:00am	CNY	CPI y/y	1.50%	1.50%	Neutral
10.08.17	2:00pm	GBP	Manufacturing Production m/m	0.00%	-0.20%	Neutral
		GBP	Goods Trade Balance	-11.0B	-11.9B	Negative
		USD	Unemployment Claims	244K	240K	Neutral
	7:30pm	USD	FOMC Member Dudley Speaks	-	-	-
11.08.17	6:00pm	USD	CPI m/m	0.20%	0.00%	Positive
		USD	Core CPI m/m	0.20%	0.10%	Positive
	7:10pm	USD	FOMC Member Kaplan Speaks	-	-	-
	9:00pm	USD	FOMC Member Kashkari Speaks	-	-	-

Note: Economic data expectations are based on median forecast by economists or Reuters and Bloomberg survey. Here positive impact indicates currency could appreciate and negative indicates currency could depreciate in comparison with US Dollar. Technical Chart Source:Tickerplant

*DOS- Depends on statement. DOV- Depends on Votes. DOR- Depends on Report.



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