

DATE: 01-07-2019

KEY HEADLINE

- India's current account deficit narrowed to just 0.7 percent of gross domestic product in the fourth quarter of the fiscal year ended March 31, from 1.8 percent in the year-earlier period as the nation's merchandise trade deficit contracted and its services surplus rose. The Reserve Bank of India said on Friday that the current account deficit was \$4.6 billion, against \$13.0 billion in the quarter ended March 31, 2018.
- Vietnam said it was committed to free and fair trade with the United States on Friday, following threats by U.S. President Donald Trump to impose tariffs on products from the Southeast Asian country amid its ongoing trade war with China. Trump said on Wednesday his government was in discussions with Vietnam on trade, but said that Hanoi treated the United States "even worse" than China in terms of trade.
- The dollar treaded water on Friday ahead of a meeting between the United States and China at the Group of 20 summit in Japan, shaking off light pressure from U.S. economic data that did nothing to derail speculation about a July interest rate cut. The core U.S. personal consumption expenditure price index rose 0.2% in May, as expected, reinforcing investor expectations that the Federal Reserve will cut rates by at least 25 basis points at the next meeting. result, the dollar reaction to the data was limited and the euro was trading late in the day at \$1.1372 , 0.04% firmer against the greenback on the day.
- U.S. consumer spending increased moderately in May and prices rose slightly, pointing to slowing economic growth and benign inflation pressures, which could give the Federal Reserve more ammunition to cut interest rates next month. The Commerce Department said on Friday consumer spending, which accounts for more than two-thirds of U.S. economic activity, rose 0.4% as households boosted purchases of motor vehicles and spent more at restaurants and on hotel accommodation.

Currency pair

Currencies	28/06/2019	21/06/2019	Change (%)
USDINR	69.30	69.61	-0.44
EURINR	79.06	78.75	0.39
GBPINR	88.09	88.10	-0.01
JPYINR	64.49	64.76	-0.41

USDINR



Technical Outlook–

- On the Weekly Chart, Descending Triangle formation is formed. Breakdown is possible in the near future.
- Indicator RSI (14) is near 50 on Daily Chart.
- 50EMA and 100EMA may be bearish crossover.
- The near term trend looks towards breakdown, going forwards it might remain in range of 68.50-70.50

Support-Resistance

LTP	S1	S2	R1	R2
69.30	68.50	67.70	70.50	71.30

EURINR



Technical Outlook–

- On the Weekly Chart, a gravestone pattern is formed.
- 50EMA and 100 EMA will remain in Bullish Crossover
- The momentum oscillator RSI (14) has entered in a bullish crossover.
- The short term trend looks Bullish; going forwards it would likely to move towards 80 and higher.

Support-Resistance

LTP	S1	S2	R1	R2
79.06	78.20	77.20	80.00	80.80

GBPINR



Technical Outlook–

- On the Weekly chart, the pair has been consolidating after a gap down on the weekly chart.
- 50EMA and 100EMA are showing bearish crossover on the weekly charts.
- The momentum oscillator RSI (14) will enter in a bearish crossover.
- The overall term trend looks Weak with a support at 87.40

Support-Resistance

LTP	S1	S2	R1	R2
88.09	87.40	86.70	88.80	89.50

JPYINR



Technical Outlook–

- On the Weekly chart, a continuation pattern is formed.
- 50EMA and 100EMA has been in a positive crossover.
- The momentum oscillator RSI (14) will be crossover.
- The short term trend looks towards consolidation ; going forwards it would likely to remain in range of 63.70-65.20

Support-Resistance

LTP	S1	S2	R1	R2
64.49	63.70	63.00	65.20	66.00

Most Important Event in the This Week:

Date	Currency	Event	Forecast	Previous
01/07/2019	EUR	German Manufacturing PMI (Jun)	45.4	45.4
01/07/2019	EUR	German Unemployment Change (Jun)	-3K	60K
01/07/2019	GBP	Manufacturing PMI (Jun)	49.2	49.4
01/07/2019	USD	ISM Manufacturing PMI (Jun)	51.0	52.1
02/07/2019	GBP	Construction PMI (Jun)	49.3	48.6
03/07/2019	GBP	Services PMI (Jun)	51.2	51.0
03/07/2019	USD	ADP Nonfarm Employment Change (Jun)	140K	27K
03/07/2019	USD	ISM Non-Manufacturing PMI (Jun)	56.0	56.9
03/07/2019	USD	Crude Oil Inventories		-12.788M
05/07/2019	USD	Nonfarm Payrolls (Jun)	160K	75K
05/07/2019	USD	Unemployment Rate (Jun)	3.6%	3.6%

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FOREIGN CURRENCY SEGMENT

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