MARKET HIGHLIGHTS (% change) as on 25-Jan-18

INDICES	LAST	CHANGE	WOW	MOM
SENSEX	#N/A	#N/A	#N/A	#N/A
NIFTY	#N/A	#N/A	#N/A	#N/A
S&P 500	2872.87	1.17	2.61	6.70
FTSE 100	7665.54	0.65	-0.5	#N/A
CAC 40	5529.15	0.87	0.62	#N/A
HANG SENG	33154.12	1.51	3.11	#N/A
KOSPI	2574.76	0.49	2.29	5.73
DJIA	26616.71	0.84	2.25	7.03
NYMEX CRUDE	66.14	0.95	3.31	9.33
COMEX GOLD	1351.6	-0.80	1.89	4.99

Source: Reuters

CURRENCY HIGHLIGHTS (% change) as on 25-Jan-18

CURRENCY	LAST	CHANGE	WOW	MOM
INR	63.58	0.11	0.38	0.67
DX	89.07	-0.36	-1.69	-4.81
EURUSD	1.2419	0.19	1.60	#N/A
EURINR	78.96	-0.34	1.22	3.94
GBPUSD	1.4168	0.16	2.25	#N/A
GBPINR	90.08	0.31	1.88	#N/A
USDJPY	108.7	-0.63	-1.90	#N/A
JPYINR	58.4751	0.75	-1.51	#N/A

Source: Reuters

Technical outlook for 29-Jan-18

Currency Futures	Trend	S2	S1	R1	R2
USDINR Feb'18 (NSE)	Sideways	63.6	63.75	64.05	64.2
EURINR Feb'18 (NSE)	Sideways	78.55	78.7	79	79.15
GBPINR Feb'18 (NSE)	Down	89.8	89.95	90.25	90.4
JPYINR Feb'18 (NSE)	Sideways	58.05	58.2	58.5	58.65

GLOBAL UPDATES

- Asian markets open on a positive note
- US treasury secretary welcomes a weaker dollar in his Davos speech
- Dollar index at three year lows
- ECB keeps interest rates unchanged and remain optimistic about inflation

FUNDAMENTAL OUTLOOK

Indian rupee

Last week rupee appreciated by 0.34 percent as dollar index weakened by 1.6 percent. The strength in rupee can be attributed to IMF's projections of growth in Indian GDP at 7.4% for 2018 and 7.8% for 2019. The growth forecast is the highest for any major growing economy. Also, Indian equity market remained positive during the week with a surge of around 1.37 percent in Nifty Index.

The factors driving dollar index down were US treasury secretary's comments at the ongoing Davos summit in Switzerland in which he welcomed a weaker dollar as weakness in dollar helps US in their trade opportunities. The flash manufacturing PMI from US came in line with market expectations of 55.5 in Dec'17 and the services PMI came lower than estimates at 53.3 as compared to 54.5 in Dec'17. Also, advance quarterly GDP for Q4 2017 comes in at 2.6% which was lower than market expectations of 3%.

USDINR is expected to move sideways in the coming session

Euro

EURUSD appreciated by 1.7 percent while EURINR depreciated by 1.25 percent during the same time frame.

Euro had appreciated as ECB spokesperson had commented on cutting down the 2.55 trillion Euro monetary stimulus program in 2018. However, in the recently concluded meeting ECB kept interest rates unchanged but they were optimistic about inflation in the Euro area. Also, Euro Area flash services PMI came in better than market estimates at 57.6 in Dec'17 as compared to 56.5.

EURINR is expected to move sideways in the coming session

GBP appreciated against the US dollar by 3.00 percent last week while GBPINR depreciated by 2.63 percent during the same time period.

Public sector borrowing for UK came in at 1.02 billion pound which less than market estimates of around 4.2 billion pounds for Dec'17. However, average earnings index for Dec'17 came in line with market expectations at 2.5% in Dec'17. Also, unemployment rate in UK for Dec'17 came in line with market expectations at 4.3%.

GBPINR is expected to appreciate in the coming session

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