

## Data released since yesterday

Date	Time	Country	Event	Period	Expectation	Actual	Prior	Revised
June-18	10:00	JN	Industrial Production (% MoM)	Apr F	--	0.9	1.7	--
June-18	14:00	UK	CPI ( %YoY)	May	2.6	2.7	2.4	--
June-18	14:30	EZ	ZEW Survey (Econ. Sentiment)	Jun	--	30.6	27.6	--
June-18	18:00	US	Consumer Price Index (YoY)	May	1.4	1.4	1.1	--
June-18	18:00	US	Housing Starts MOM%	May	11.4	6.8	-16.5	-14.8
June-19	5:20	JN	Adjusted Merchnnds Trade Bal. (JPY bn)	May	-890.0	-821.0	-764.4	-702.8
June-19	6:00	AU	Westpac Leading Index (% MoM)	Apr	--	0.60	0.20	0.10

## Developments since yesterday

- ECB President Draghi yesterday said that the Central Bank is considering further non-standard monetary policy tools and will deploy them if the circumstances warrant. He added that some of these measures may have "unintended consequences" but this does not prevent them from being used, if the economic environment requires them.
- US stocks ended higher for the second consecutive session yesterday after a lower than expected housing starts data print aided some hopes that the Fed might continue with its current asset purchase programme. Markets now await the outcome of the 2-day US FOMC meeting, due to conclude later today, for further cues. Consumer goods and technology stocks were the primary gainers. Dow Jones ended higher at 15,318.23 (+0.91%) while the S&P 500 closed at 1651.81 (+0.78%)
- Asian stocks are trading mixed today morning amidst cautious sentiment ahead of the US FOMC policy announcement, due later today. Nikkei is up by 2.00%, led by gains in exporters' stocks backed by Yen weakness. Australia's ASX is up by 0.38%, buoyed by financial stocks. Shanghai Composite and Hang Seng meanwhile, are down by 1.00% and 0.96% respectively, weighed by realty stocks amidst media reports that China may extend property curbs to other cities soon. Kospi is also trading down by 0.76%.
- US Treasuries are trading marginally stronger today morning. Meanwhile, trade yesterday was fairly choppy. In the early session, the 10-year benchmark yield rose by 4 bps to an intraday high of 2.22%, amidst speculation that the Fed might taper its asset purchases. However, a lower than expected reading on housing starts helped ebb some fears, taking the yield to 2.19% at the end of the session. Markets will look forward to the US FOMC policy announcement, due later today, for further cues. The benchmark 10-year yield is currently hovering around 2.18%.

## View Today

	Trend		Support (1)	Support(2)	Resistance (1)	Resistance (2)	Market level*
	Intraday	Fortnight					
DXY	Bearish	Bullish	80.60	80.25	81.00	8156.00	80.72
EUR/USD	Bullish	Rangebound	1.3340	1.3309	1.3417	1.3458	1.3390
GBP/USD	Bullish	Rangebound	1.5600	1.5563	1.5681	1.5700	1.5624
USD/JPY	Rangebound	Bullish	95.00	94.60	96.13	96.60	95.40
USD/CHF	Bearish	Bearish	0.9172	0.9130	0.9240	0.9263	0.9200
USDINR(Spot)	Bearish	--	58.55	58.40	58.98	59.10	58.67
AUD/USD	Rangebound	Rangebound	0.9435	0.9400	0.9520	0.9573	0.9458
USD/CAD	Bearish	Rangebound	1.0200	1.0170	1.0266	1.0280	1.0230
	Trend		Trading Range				Market level*
	Intraday	Fortnight					
OIS (5Y)	Ranged	Ranged	6.92%-6.98%				6.95%
Gsec (8.15% 2022)	Ranged	Ranged	7.43%-7.49%				7.46%
Gsec (7.16% 2023)	Ranged	Ranged	7.23%-7.29%				7.26%
Sensex	Ranged	Ranged	19000-19500				19173
Gold	Ranged	Ranged	\$1340/\$1395				\$1,365
Brent Oil	Bullish	Ranged	\$105-\$106				\$106.00

\*These levels are taken at 9:30 AM IST

<b>DXY</b>	The DXY index is currently trading slightly higher at around 80.69 compared to yesterday's close of 80.61 as markets keenly await US Fed's monetary policy statement for further cues on its stance on asset purchases. The US Dollar retreated against the Euro yesterday as a lower than expected housing starts data print led to some paring of bets on Fed reducing its asset purchases going ahead. Nevertheless, the US Dollar continues to strengthen against most EM Asian currencies amidst cautious sentiment ahead of the Fed decision. Technically, intraday trend for the DXY is bearish with support and resistance at 80.60 and 81.00 respectively.
<b>EUR/USD</b>	The EURUSD cross is trading flat around yesterday's close of 1.3392, holding on to yesterday's 0.2% rise. The Euro has risen by around 0.34% this week, reportedly benefitting from selling in US Treasuries by foreign investors. The common currency also found support as data released yesterday showed that ZEW survey index for economic sentiment rose to 30.6 in June from prior 27.6, signalling increasing optimism over economic recovery. Going ahead, besides FOMC, markets also look forward to Eurozone manufacturing and services PMI estimates due to be released tomorrow. The intraday trend for the Euro is bullish, with support and resistance at 1.3340 and 1.3417 respectively.
<b>GBP/USD</b>	The British Pound is trading lower at 1.5629 compared to yesterday's close of 1.5642 amidst broad Dollar strength, extending yesterday's losses. The currency continues to trade weaker despite yesterday's inflation report which showed a higher than expected reading for May, thus putting in doubt the prospects of further QE by the Bank of England. The intra day trend for the GBP/USD cross is bullish, with support and resistance at 1.5600 and 1.5681 respectively.
<b>USD/JPY</b>	The Japanese Yen is trading slightly stronger today morning at 95.21, compared to yesterday's close of 95.33, albeit holding on to most of yesterday's 0.9% decline. Today's gains in the Yen have been aided by the trade report which showed that Japan's merchandise trade exports rose by a more-than-expected 10.1% YoY in May. However, further gains in the currency are likely to be limited as the Yen remains weighed down by speculation that the US Fed might taper down its purchases going ahead while the Bank of Japan remains on its path of monetary easing. Technically, the intra day trend for USD/JPY cross is ranged with support at 95.00 and resistance at 96.13.
<b>USD/CHF</b>	The Swiss Franc is trading slightly stronger against both the US Dollar and the Euro amidst expectations that the Swiss National Bank, in its policy meeting tomorrow, will refrain from announcing any further measures to weaken the Franc. USD/CHF is currently trading slightly lower at 0.9198, compared to yesterday's close of 0.9202, extending yesterday's decline. Similarly, EUR/CHF is also lower at 1.2317 compared to yesterday's close of 1.2325. Technically, USD/CHF is expected to trade bearish with support at 0.9172 and resistance at 0.9240.
<b>AUD/USD</b>	The Australian Dollar is trading weaker today morning around 0.9485 compared to previous close of 0.9574, extending its decline for the fourth consecutive session, amidst broad-based caution ahead of the US FOMC policy, due later today. Further, CFTC data suggests that traders have increased their short Aussie positions. However, a higher than prior reading of the Westpac Leading Index for May, released earlier today, is likely to provide some support to the Aussie. Technically, we expect AUD/USD to trade ranged with support at 0.9435 and resistance at 0.9520.
<b>USD/CAD</b>	The Canadian Dollar is trading weaker around 1.0226 levels, vs. yesterday's close of 1.0212, extending yesterday's losses. Caution ahead of the US FOMC policy outcome, due later today, is likely to keep the currency under pressure. Meanwhile, in yesterday's trade, the Loonie declined by 0.35%. A rise in prices of North American crude oil, one of Canada's largest exports, failed to support the currency. The Fed policy outcome is likely to guide further moves in the currency pair. Markets will also look for cues from the new Bank of Canada governor Poloz's first official speech, due tomorrow. Technically, we expect USD/CAD to trade bearish with support at 1.0200 and resistance at 1.0266.

<b>Sensex</b>	Indian stocks markets opened flat amidst mixed cues from Asian peers. Meanwhile, in yesterday's trade, Indian stocks closed a rangebound session lower amidst profit booking in rate sensitive stocks. However, weak trade deficit data capped the upside. Technically, Sensex is expected to trade ranged between 19000-19500.
<b>USD/INR</b>	The Indian Rupee opened weaker at 58.81 compared to yesterday's close of 58.78, tracking a decline in the EM Asian currency pack. The currency is likely to remain under pressure on the back of an overnight rise in crude oil prices and overall cautious sentiment ahead of the US Fed policy announcement, due later today. Meanwhile, in yesterday's trade, the Rupee closed at a record low amidst reports of defence related outflows and offshore Dollar demand by corporates. The outcome of the 2-day FOMC meeting, due later today, is likely to guide further movements in the USDINR pair. Intraday, the Rupee is likely to take cues from movements in domestic equities. The intraday trend for USDINR is bearish with support at 58.55 and resistance at 58.98.
<b>Gsec</b>	The Indian Government bonds are likely to remain under pressure, tracking overnight losses in US Treasuries, ahead of the US FOMC meeting, due to conclude later today. Also, the auction of Gsecs worth INR 150 bn on Friday would further limit any gains. Gilts would track movements in the Rupee for further cues. Meanwhile, in yesterday's trade, gilts edged lower, weighed by sharp depreciation in the Rupee coupled with a broadly cautious sentiment ahead of the Fed policy outcome. The old 10-year bond yield, currently at 7.46%, is expected to trade in the range of 7.43%-7.49% while the new 10-year benchmark, currently at 7.26%, is expected to trade in the band of 7.23%-7.29%
<b>Oil</b>	Global crude oil prices are trading largely flat this morning. In yesterday's trade, oil prices rose, with WTI gaining by 1.6 % after the American Petroleum Institute reported a decline in US crude oil inventories by 4.3 mn last week. Markets now await the US Energy Department's report on US crude oil inventories, due later today, for further cues. WTI is trading at USD 98.48/bbl, same as yesterday's close. Brent is also flat at USD 106.02/bbl. Technically, Brent is expected to trade ranged between USD 105.5 -106.7/bbl.
<b>Gold</b>	Gold prices are trading close to a 3-week low today morning, extending yesterday's losses. Prices are currently hovering around USD 1365/oz, compared to yesterday's close of USD 1367.7/oz. In yesterday's trade, gold prices fell by 1.32%, amidst caution ahead of the FOMC policy announcement that is due later today. Further, holdings in the SPDR Gold Trust declined to 1001.66 MT yesterday, the lowest since February 2009, thereby weighing on the investor demand outlook. Bullion prices are likely to take further cues from the Fed's policy decision due today. Technically gold is expected to trade ranged between USD 1340-1395/oz.

## Data Today

Time	Country	Event	Period	Expectation	Prior
23:30	US	FOMC Rate Decision	Jun-19	0.25%	0.25%

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