

Euro zone economic data to be released in September along with the crucial ECB benchmark interest rate decision and press conference with ECB Chief Draghi will be positive for the EUR-INR, as any bond purchasing program may bring buying interest in the pair. On 12th September, the German constitutional court ruling may bring volatility in the pair. The euro group meetings on 14th September are assumed to mark a positive sentiment for the Euro, if there is any supportive announcement. Spanish 10-y bond auction data and ECB President Draghi speaks on 20th Sep will be closely watched. Meanwhile, as the US economy continues to struggle to address prolonged weakness in employment conditions, correction might be witnessed in the US dollar, which may be positive for EUR-INR.

From the above economic data and events, we expect that EUR-INR looks positive in the coming month.



EUR-INR currency pair remained on the higher node last month and made a high of Rs 70.24 and settled at Rs 70.13. EUR-INR prices are expected to remain bullish on the grounds that:

- Prices have been following a bullish trend channel witnessed in the chart above
- Bullish cross over is witnessed between RSI (14) and its Moving Average (9)
- Volume levels are constant during an uptrend signaling bullish mode may remain intact
- Prices are sustaining above Rs 70.00 which is 38.2% natural Fibonacci projection of the range Rs 55.42-71.29-63.85

Next resistance level as per the Fibonacci projection is seen at 71.90 and then 73.00, while support is at 69.80-69.00.

Recommendation:

We recommend buying in EUR-INR at Rs 70.10-70.30 targeting Rs 71.90 - 72.50 with a stop loss of Rs 69.20

Contact**SMS: 'Arihant' to 56677****Website**www.arihantcapital.com**Email Id**research@arihantcapital.com

Arihant is Forbes Asia's '200 Best under a \$Billion' Company
'Best Emerging Commodities Broker' awarded by UTV Bloomberg

Disclaimer: This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

ARIHANT Capital Markets Ltd.3rd Floor Krishna Bhavan, 67 Nehru Road, Vile Parle (E), Mumbai – 400057

Tel. 022-42254800 Fax. 022-42254880

www.arihantcapital.com

RCH-DCR-00