



Tuesday, January 21<sup>st</sup> 2014

CURRENCY ACTIVITY 20/01/2014

Currency Pairs	Closed	% Chg	Open Interest	% Chg	Total Trade Volume (Rs in Cr)	% Chg	No of Contracts Traded	% Chg
USDINR	61.69	0.11	442,706	-0.79	2,159.00	-22.60	349,470.00	-22.89
EURINR	83.56	-0.32	14,650	-18.46	207.00	-13.24	24,810.00	-12.94
GBPINR	101.43	0.15	19,157	-6.87	242.00	-42.55	23954.00	-42.65
JPYINR	59.22	0.31	5,284	-7.31	54.00	-29.55	9119.00	-29.83

CURRENCY UPDATE

- **USD-INR**- The pair remained flat for second consecutive day as investors took cues from Bernanke's speech that quantitative easing would help the US economy recover and did not pose any bubble risk amid strong initial jobless claims data for the US.
- **EUR** - The euro remained under pressure amid concerns that the subdued inflation outlook for the euro zone may prompt the European Central Bank to ease monetary policy in order to safeguard the fragile recovery in the region. EUR/USD was % at 1.3537.
- **GBP**- Sterling was remained slightly positive following the Friday release of much higher-than-expected retail sales for December. During the European trade pound inched higher towards 1.6451 from the low of 1.6394 up 0.09%.
- **JPY**- The Japanese yen slightly strengthen against the dollar index traded around 104.20 down 0.09% after a slew of mixed data from the China left traders in a quandary as there seems to be some problems with Prime Minister Abe's domestic recovery plans.

IMPORTANT NEWS ROUNDUP

- Spanish Industrial New Orders rose to a seasonally adjusted -2.2%, from -4.0% in the preceding month.
- Italian Industrial New Orders rose to 2.3%, from -2.3% in the preceding month whose figure was revised up from -2.5%.



CURRENCY TO FOCUS – USD-INR (JAN)

Intraday USD-INR Trend : Range bound



**Overview:** USD-INR had a flat Monday, remained between 61.79-61.65 level and settled at 61.69. On the above daily chart a Doji candle stick is indicating indecision in the trend.

Intraday correction should below 61.85. While positive move expected to come above the 61.98 level.

**Main event and data** – German ZEW Economic Sentiment.

(In Rs.)	Target	SL
Sell 61.82-61.84	61.70-61.58	61.95.

FOREIGN CURRENCY AND TECHNICAL LEVELS

Symbol	Last Rate at 8.45 AM	% Chg	Currency Pairs	R1	R2	Pivot	S1	S2
DOLLAR INDEX	81.17	0.10	USDINR	61.790	61.880	61.7	61.610	61.520
EUR/USD	1.3552	-0.00	EURINR	84.993	86.437	84.2	82.763	81.977
GBP/USD	1.6430	0.03	GBPINR	101.497	101.613	101.4	101.247	101.113
USD/JPY	104.63	0.45	JPYINR	59.407	59.573	59.3	59.097	58.953

Major Economic Data and Events Schedule (For 21/01/2014)

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
Tentative	EUR	German Constitutional Court Ruling	-	-	-
3:30pm	EUR	German ZEW Economic Sentiment	63.40	62.00	Positive
	EUR	ZEW Economic Sentiment	70.20	68.30	Positive
Tentative	EUR	Spanish HPI q/q	-	-0.40%	-
4:30pm	GBP	CBI Industrial Order Expectations	11.00	12.00	Negative

Impact - High Medium Low

**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.



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