



USD-INR Daily Chart



The FOMC kept everything in place at the end of its two-day policy meeting on Wednesday announced no timetable for winding down the stimulus of its \$85 billion per month asset purchase program, known as QE3 and interest rates 0.25%, disappointed the market expectation of assets tapering program by \$10 Billion. Consequently, the US dollar plunged to recent lows of 80.10 and USD-INR made a low 61.56 tumbled by 2.53% in the morning trade.

Important Events and Upcoming data Alert:

The USD-INR will meet to **RBI mid quarter Review** scheduled 20th Sep. The New chief Raghuram Rajan will make his first monetary policy statement with the expectation that the Reserve Bank of India (RBI) may roll back its tightening measures taken in order to curb Forex volatility and country deficit.

Balance of Payment data for Apr –June 2013 will take place on 30th Sep (Previous quarter reading of Current Account was at \$-18.1bln, -Capital Account \$0.2bln and Financial Account \$17.6 bln, the expectation not came yet in the market. But, looking to the past few steps taken by the government to curb fiscal deficit like, hikes import duty on gold jewellery up by half to 15%. Duties for silver and platinum also increased to 10%. Customs duty on gold Dore bars, ore or concentrate increased to 8% from 6%, banning imports of coins and medallions and making domestic buyers pay cash which might reduce the current account deficit.



Technical Overview -

USDINR has turned bearish from the peak of 69.1350 and made a sharp decline towards 61.56 with a corrective wave count price action. On the Daily chart, a corrective wave count started from the high of 4th Sept 2013 (69.1350), which likely to complete as a corrective wave C around 61.10. Now the Fibonacci Retracement 261.8% will be very massive support level for further bearish move. Or else, before the breakdown below 61.10 we could see mild recovery. Long term trend line is stand as a crucial support level at 61.20.

Trading Strategy: Long position is recommended in USD-INR on dip till 61.20 with Stop loss below 60.80 Target 62.75-63.50.

In case the price unable to moves in upside and break down below 60.50 on the closing basis then trading in lower range is the may be possible at lower 60.20-59.40 for the short time.



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