



EUR-INR



Technical:

EUR-INR is on its rising trend continuously since it made a low of Rs 55.42, as on June 2010. For January month, it made a high of Rs 73.55 and for the month it gained nearly about 33% since its June, 2010 low. If we draw a raff regression channel to define the said uptrend in EUR-INR monthly chart, we analyze that prices are resisting at the middle line of the raff regression. For the month, prices failed to settle above the middle line of the said channel. In the month of January, prices action of EUR-INR has formed high wave candle stick which is an indication of indecision or may signify trend reversal. For the coming month, we expect EUR-INR prices to remain on the lower side and recommend selling in EUR-INR at Rs 72.60-72.70 for the target of Rs 70.30 and then Rs 70.00 with stop loss above Rs 73.60.

Fundamental:

This month, European economic data will start with the crucial ECB press conference and interest rate scheduled on 7th Feb, where it is expected that ECB is likely to keep interest rates unchanged which may be positive for the currency pair. After that, Euro group Meetings and ECOFIN Meetings on 11th Feb will affect Euro price movements. A range of financial issues, such as euro support mechanisms and government finances will be discussed and any positive outcome from the above meeting is likely to add a positive sentiment for the currency. A basket of GDP data will be released on 14th Feb, which among others includes French, German, Italian and Flash GDP of the Europe that is expected to add volatility.



Spanish 10-y Bond Auction on 15th Feb will dictate the trend of Euro. On 20th Feb, Euro will react on German ZEW Economic Sentiment and any negative sign from the above is likely to generate selling pressure in the currency. On 21st Feb, Spanish 10-y Bond Auction will again have strong impact.

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