



Forex Update:

The dollar traded sideways against the Rupee during the week, and spot rate settled at 62.43. The month-end oil importers demand pushed pair higher and US markets holiday added some sideline sentiment. U.S. dollar remained steady to lower against the other major currencies in thin trade closed at 80.64. The euro hovered near one-month high closed at 1.3590. The Japanese yen fell to a near five-year low at 102.60 amid heightened expectations that that the BoJ will expand its monetary stimulus program in the coming months in order to meet its target of 2% inflation by 2015. Sterling jumped to an 11-month high of \$1.6383 as confirmation of the Bank of England confidence in the economic outlook and of their expectations that the BoE was moving closer to raising interest rates.

Succinct Summation of Previous Week:

Positive:

- U.S. Weekly initial jobless benefits in the week ending November 22 declined by 10,000 to 316,000.
- Iran agreed to curtail its nuclear activities in exchange for easing of certain sanctions on oil, auto parts, gold and precious metals for six months.
- German Chancellor Angela Merkel's Conservative party reached a deal to form a coalition government with the Social Democrats on Wednesday, following weeks of negotiations.
- Consumer confidence in the US rose 15.4 in November compared to expectations of a fall by 15.4 and fall of 15.4 a month earlier.
- India's economy grew 4.8% during July-September, marginally higher than the previous three months' 4.4% growth.
- India's foreign exchange reserves including gold and Special Drawing Rights rose by \$2.691 billion to \$286.263 billion while foreign currency assets were up by \$2.760 billion to \$258.664 billion in week to Nov 22.

Negative:

- Germany number of unemployed people rose by 10,000 this month, compared to expectations for an increase of 1,000.
- BOJ minutes of the October meeting expressed concerns over lower inflation in Japan and one member was of the opinion that it "could not yet be judged" whether Japan's economy was following a path towards achieving price stability target of 2%.

Next Week Important Events & Data:

- 02-Dec-13 – Fed Chairman Bernanke Speaks.
- 05-Dec-13 - ECB Press Conference & U.K. MPC Rate Statement. U.S. Prelim GDP.

Previous Week % change in currency Market (22nd Nov – 28th Nov 2013)

Currency (MCX-SX)	Open	High	Low	Close	% change
USD-INR	62.65	63.04	62.25	62.90	-0.08
GBP-INR	101.75	102.94	100.57	102.72	0.78
EUR-INR	84.94	85.92	84.25	85.61	0.62
JPY –INR	61.90	62.03	61.07	61.50	-1.08



CURRENCY – USD-INR (DEC)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 62.90-63.00	62.60-62.45	63.25
And; Or		
Buy above 63.30	63.55-63.75	62.88.

Overview: The USD-INR remained sideline in the last week, closed at 62.90 with minor loss 0.08%. From the Technical aspects, Weekly chart showing long term trend line support 62.20 a breakdown below this could bring drastic selling in the pair. This week expected to begin with a gap down opening as GDP growth at 4.8%, above than forecast of 4.6%. On the higher side Pair will find the massive resistance 63.20, sustain trade above this 63.75-64.10 may take place in the market.

Dollar Index -



Overview: The US Dollar Index remained sideline during the week after hitting a high of 81.02, settled at 80.64, as trading remained thin with markets in the U.S. remain closed for the Thanksgiving Day holiday. For this week, 80.45 levels will react as crucial support, which coincide with 23.6% Fibonacci retracement level, a breakdown below 80.40 may bring significant correction towards 80.04-79.52. On the higher side 81.50 will be the massive resistance level. A table stated below indicating a volatile move in start of the week.

Major Economic Data & Events Schedule (For Week) From U.S. that will Impact USD-INR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
02.12.13	7:00pm	Fed Chairman Bernanke Speaks	-	-	-
	8:30pm	ISM Manufacturing PMI	55.20	56.40	Negative
04.12.13	6:45pm	ADP Non-Farm Employment Change	174K	130K	Positive
	7:00pm	Trade Balance	-40.3B	-41.8B	Negative
05.12.13	8:30pm	ISM Non-Manufacturing PMI	55.40	55.40	Neutral
	7:00pm	Prelim GDP q/q	3.10%	2.80%	Positive
06.12.13		Unemployment Claims	322K	316K	Positive
	7:00pm	Non-Farm Employment Change	184K	204K	Negative
		Unemployment Rate	7.20%	7.30%	Positive

**Impact of Main Event & Data in the Week –**

This week, U.S. Fed Chairman Bernanke Speaks in start of the week may play a vital role for the dollar. Foreseen ADP Non-Farm Employment Change, GDP and unemployment claims are indicating for the upside which could bring the QE3 Tapering sentiment among the world's market players while Non-Farm Employment Change and trade balance data is may bring extension of bond purchasing program. **Hence, we expect that USDINR should trade again on Volatile node during the week.**

CURRENCY –EUR-INR (DEC)**TRADING STRATEGY FOR THE WEEK:**

(In Rs.)	Target	SL
Buy on dip 84.40	84.98-85.50	84.10

Overview– EUR-INR continued consolidated in the week, after hitting a low of 84.24 settled near to two week high 85.61. The weakness in the Japanese Yen which went near to five week low against the Euro weighted on the upside move. The trend expected to bullish based on technical aspects. The bullish rally will see above the breakout 86.25. RSI 14 and 9 SMA are trading in the bullish territory and not yet overbought. Pair will find the immediate support at 84.05, sustain trade below only next support level could be seen till 83.52-82.80.

Major Economic Data & Events Schedule (For Week) that will Impact EUR-INR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
02.12.13	1:45pm	Spanish Manufacturing PMI	51.30	50.90	Positive
03.12.13	1:30pm	Spanish Unemployment Change	44.3K	87.0K	Positive
04.12.13	1:45pm	Spanish Services PMI	50.70	49.60	Positive
	3:30pm	Retail Sales m/m	0.20%	-0.60%	Positive
05.12.13	6:15pm	Minimum Bid Rate	0.25%	0.25%	Neutral
	7:00pm	ECB Press Conference	-	-	-
06.12.13	4:30pm	German Factory Orders m/m	-0.40%	3.30%	Negative

Impact of Important Economic Events & Data in the Week –

This week, European central bank monthly interest rate decision and press conference from Mario Draghi will have strong impact on the Euro. In last month shocking reduction in the rate from 0.5% to 0.25% in response to a weakening in the rate of inflation witnessed a drastic selling pressure in the Euro. Additionally, foreseen economic figure stated in the above are widely expected to in favor for the Euro. **Hence, we expect that EUR-INR will remain on a bullish zone during the week.**



CURRENCY – GBP-INR (DEC)

TRADING STRATEGY FOR THE WEEK:



(In Rs.)	Target	SL
Sell 102.70-102.75	102-101.50	103.30
And; Or		
Buy above 103.30	103.80-104.50	102.60.

Overview – GBPINR witnessed a gap down opening in the beginning of the week after that pair performed sharp bullish rally towards 102.94 supported by GBP/USD parity where Sterling jumped to an 11-month high of \$1.6383 against the dollar as confirmation of the Bank of England confidence in the economic outlook and of their expectations that the BoE was moving closer to raising interest rates. From the technical aspect, we expect that some amount of correction in beginning of the week, upper trend line 103.00 will be the massive resistance for further bullish rally. Or else, downside level could be seen till 100.80.

Major Economic Data & Events Schedule (For Week) will Impact - GBPINR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
02.12.13	3:00pm	Manufacturing PMI	56.50	56.00	Positive
03.12.13	3rd-6th	Halifax HPI m/m	0.80%	0.70%	Positive
	3:00pm	Construction PMI	59.30	59.40	Negative
04.12.13	3:00pm	Services PMI	62.10	62.50	Negative
05.12.13	4:45pm	Autumn Forecast Statement	-	-	-
	5:30pm	Asset Purchase Facility	375B	375B	Neutral
		Official Bank Rate	0.50%	0.50%	Neutral
	Tentative	MPC Rate Statement	-	-	-
06.12.13	3:00pm	Consumer Inflation Expectations	-	3.20%	-

Impact of Important Economic Events & Data in the Week –

This week U.K. will have significant economic event and data series, which will start from the Monday with the Manufacturing PMI which expected be in favor for the GBP. On Tuesday foreseen Halifax HPI may have positive impact while on the same day Construction PMI and services PMI may bring correction for it. On Thursday the BoE to release their latest monetary policy decision with expectation that they will unchanged the policy rate. On the same day Autumn Forecast Statement which will provides an updated economic outlook and previews the government's budget for the coming year may have vital impact on the pound. **All the above data is indicating that GBP-INR should trade on a Consolidation mode during the week.**



CURRENCY – JPY-INR (DEC)



TRADING STRATEGY

(In Rs.)	Target	SL
Sell below 60.95	59.80-58.85	61.65.

Overview – JPY-INR witnessing a drastic bearish move from past three week, and this week drop 1.18% and settled at 61.50. As The Japanese yen fell to a near five-year low at 102.60 amid heightened expectations that that the BoJ will expand its monetary stimulus program in the coming months in order to meet its target of 2% inflation by 2015. This week we expect that pair may find some support around 61.50. Crucial support level is seen at 60.95 which coincide with 23.6% Fibonacci projection line. RSI is still indicating for bearish move. Hence, traders either go short side below 60.95 or sell on rise around 63.35.

Major Economic Data & Events Schedule (For Week) will Impact - JPYINR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
02.12.13	5:20am	Capital Spending q/y	3.10%	0.00%	Positive
	8:00am	BOJ Gov Kuroda Speaks	-	-	-
02.12.13	7:00am	Average Cash Earnings y/y	-	-0.20%	-
07.12.13	7:30am	BOJ Gov Kuroda Speaks	-	-	-

Impact of Important Economic Events & Data in the Week –

This week, BOJ Gov Kuroda Speaks in start and end of the week may have strong impact on the Yen. last week Bank of Japan minutes of the October meeting expressed concerns over lower inflation in Japan and one member was of the opinion that it "could not yet be judged" whether Japan's economy was following a path towards achieving price stability target of 2% which drag down the Yen near to five month low around 102.60.

All the above data indicates that JPY-INR should trade on a bearish zone during the week.

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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