



Previous Week % Change in Local Market (Future)

Currency	Open	High	Low	Close	Pre. Close	% change
USD-INR	62.84	63.35	62.43	63.07	62.71	0.57
GBP-INR	103.85	105.07	103.16	103.71	103.92	-0.20
EUR-INR	85.98	86.68	84.93	85.36	85.82	-0.54
JPY –INR	61.39	61.89	60.40	61.63	61.26	0.60

Previous Week Change in CME Market

Currency	Open	High	Low	Close	Pre. Close	% change
Dollar Index	80.44	81.32	80.03	81.25	80.48	0.96
EUR/USD	1.3528	1.3788	1.3517	1.3668	1.3676	-0.06
GBP/USD	1.6497	1.6625	1.6425	1.6437	1.6498	-0.37
USD/JPY	102.46	103.44	101.83	102.15	102.25	-0.10

Previous Week Change in Other Market

Currency	Open	High	Low	Close	Pre. Close	% change
DGXCINR	62.75	63.58	62.44	62.96	62.76	0.32

Weekly Foreign exchange reserves, in billion US dollars (\$)

	Week Jan 24 th	Week Jan 17 th	Week	End March 2013	Year
Total Reserves	292.238	292.081	0.157	0.192	-3.510
Foreign Assets *	266.051	265.934	0.117	6.326	4.343
Gold	19.724	19.724	--	-5.967	-7.495
SDRs	4.455	4.428	0.027	0.128	-0.021
Reserve Position In IMF**	2.006	1.994	0.012	-0.293	-0.380

*Foreign currency assets in US dollars include the effect of appreciation/depreciation of non-US currencies (such as euro, sterling, and yen) held in reserves. For details see current statistics section of RBI Bulletin.

** Reserve Position in International Monetary Fund, i.e. Reserve Tranche Position (RTP) which was shown as a memo item from May 23, 2003 to Mar 26, 2004 has been included in the reserves from the week ended Apr 2, 2004 in keeping with international best practice



CURRENCY – USD-INR (FEB)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 63.50-63.45	62.90-62.50	63.75 (STRICT)

Overview: The local currency extended a losing streak for second consecutive week, slides near to eleven week low at 63.35, gave up 0.57% against the dollar last week.

From technical aspects - A high wave candle tick has been witnessed on the weekly chart while USD-INR trading under the long term trend line with massive resistance 63.50 level. We expect that pair may take some correction from 63.40-63.30 level in days to come unless pair breaks and sustain above 63.50 on the closing basis. On the opposite side, a bullish move could expect **only sustain trade above 63.75 level towards upside Target 64.15.**

Domestic Major Economic Data & Events Update

- The RBI hiked repo rate by 25bps to 8% at policy review and added the extend and direction of further policy steps will be data dependent, thought if the disinflationary process evolves according to this baseline projection, further policy tightening in the near term is not anticipated at this junction.
- India revised down its economic growth for the fiscal year 2012/13 to 4.5% from 5.0% earlier, the government data showed on Friday, on lower than provisionally estimated output in farm and manufacturing sectors.
- The fiscal deficit reached 5.16 trillion Indian rupees during April-December, or 95.2 percent of the full-year target, compared with 78.8 percent a year earlier, government data showed on Friday.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
03.02.14	-	30 HSBC India Manufacturing PMI - Jan	--	50.7	-
05.02.14		30 HSBC India Service PMI JAN		46.7	-
05.02.14		30 HSBC India Composite Output JAN		48.1	-

Outlook – Based on above economic data and events a volatile trend is expected for the pair. .



CURRENCY – DOLLAR INDEX



TRADING RANGE FOR THE WEEK: 81.50-80.60.

Overview– Last week, dollar settled with the gain of 0.96% at 81.25 against the other major currencies.

From Technical Aspects – On the weekly chart, U.S dollar made a high 81.32, and formed a bullish candle stick after the U.S Federal Reserve announced to tapered another \$10 billion to \$65 billion at its policy meet Jan 28-29 on improved jobs and GDP data. This week, Non-Farm Employment Change will provide a valid direction for the Greenback. Looking to the above technical factors we expect dollar index could take correction till the support of 79.68 (from 81.30). A bullish move could arise only above 81.50 levels towards 82 and above.

U.S. Major Economic Data & Events Update

- The central bank tapered its stimulus program to \$65 billion from \$75 billion earlier as Vice Chair Janet Yellen prepares to succeed as Chairman after Bernanke.
- The Fed left its statement unchanged that it will probably hold its target interest rate near zero well past the time that unemployment falls below 6.5%.
- U.S. consumer confidence improved to 80.7 this month from a reading of 77.5 in December.
- Weekly individuals filing for initial jobless benefits in the week ending January 25 increased by 19,000 to a seasonally adjusted 348,000 from the previous week's revised total of 329,000.
- Gross domestic product grew at an annual rate of 3.2% in the fourth quarter, meeting expectations.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
03.02.14	7:30pm	Treasury Sec Lew Speaks	-	-	-
	8:30pm	ISM Manufacturing PMI	56.20	57.00	Negative
04.02.14	8:30pm	Factory Orders m/m	-1.10%	1.80%	Negative
05.02.14	6:45pm	ADP Non-Farm Employment Change	191K	238K	Negative
	8:30pm	ISM Non-Manufacturing PMI	53.80	53.00	Positive
06.02.14	7:00pm	Trade Balance	-35.8B	-34.3B	Negative
		Unemployment Claims	334K	348K	Positive
		Prelim Nonfarm Productivity q/q	2.60%	3.00%	Negative
07.02.14	7:00pm	Non-Farm Employment Change	185K	74K	Positive
		Unemployment Rate	6.70%	6.70%	Natural

Outlook - Based on above economic data, a volatile trend could expect for the U.S. dollar.



CURRENCY –EUR-INR (FEB)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 85.80-85.70	85-84.60	86.25

Overview– Last week, EUR-INR saw a pulled down from the high of 86.68 drop 0.57% and settled at 85.36. In the same way EUR/USD briefly broke below the 1.3500 level before ending the session with a 0.06% loss.

From technical aspects – Currently EUR-INR following a long consolidation pattern, where facing the resistance 86.70 while support 85.50-83.70. This week, ECB meeting decision (06 Feb) will provide a valid direction for the Euro. Looking to the above technical factors we expect Pair could take correction till the support of 84.50-83.88 (from 86.60). A bullish move could arise only above 86.60 levels towards 87 and above.

Europe Major Economic Data & Events Update

- Euro zone CPI fell to a seasonally adjusted annual rate of 0.7%, from 0.8% in the preceding month.
- Rate of unemployment remained unchanged at a seasonally adjusted 12.0%, from 12.0% in the preceding month whose figure was revised down from 12.1%.
- French consumer spending fell to a seasonally adjusted -0.1%, from 1.4% in the preceding month.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
03.02.14	1:45pm	Spanish Manufacturing PMI	51.30	50.80	Positive
	2:15pm	Italian Manufacturing PMI	54.20	53.30	Positive
04.02.14	1:30pm	Spanish Unemployment Change	-21.3K	-107.6K	Positive
05.02.14	1:45pm	Spanish Services PMI	55.30	54.20	Positive
	2:15pm	Italian Services PMI	48.20	47.90	Positive
	3:30pm	Retail Sales m/m	-0.70%	1.40%	Negative
06.02.14	4:30pm	German Factory Orders m/m	0.30%	2.10%	Negative
	6:15pm	Minimum Bid Rate	0.25%	0.25%	Neutral
	7:00pm	ECB Press Conference	-	-	-
07.02.14	12:30pm	German Trade Balance	17.3B	17.8B	Negative
	4:30pm	German Industrial Production m/m	0.50%	1.90%	Negative

Outlook - Based on above economic data, a volatile trend could expect for the pair.



CURRENCY – GBP-INR (FEB)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell below 103.10	102.44-101.72	103.60

Overview – GBP-INR remained volatile last week, as after hitting a high 105.07, settled at 103.71 with the loss of 0.20%. In the same way after testing GBP/USD hit 29 month high of 1.6625 settled at 1.6437, down 0.37%.

From the technical aspect – On the weekly chart, GBP-INR was found an indecisive candle stick while trading above the median line of Ref. Reg. Channel with the support 103.15. This week, MPC Rate Statement (06 Feb) will provide a valid direction for the Pound. Looking to the above technical factors we expect Pair could take correction till the support of 102.44-101.72. **A bullish move could arise only above 103.70 levels towards 104.50 and above.**

U.K. Major Economic Data & Events Update

- U.K. Gfk Consumer confidence rose to a seasonally adjusted -7, from -13 in the preceding month.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
03.02.14	3:00pm	Manufacturing PMI	57.10	57.30	Negative
04.02.14	4th-7th	Halifax HPI m/m	0.40%	-0.60%	Positive
	3:00pm	Construction PMI	61.60	62.10	Negative
05.02.14	3:00pm	Services PMI	59.10	58.80	Positive
06.02.14	5:30pm	Asset Purchase Facility	375B	375B	Neutral
		Official Bank Rate	0.50%	0.50%	Neutral
		Tentative MPC Rate Statement	-	-	-
07.02.14	3:00pm	Manufacturing Production m/m	0.60%	0.00%	Positive
		Trade Balance	-9.3B	-9.4B	Negative

Outlook - Based on above economic data and events a negative trend is expected for the pair.



CURRENCY – JPY-INR (FEB)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy around 60.10-60.05	61.50-62.20	59.55.

Overview – Last week, JPY-INR remained a star performer among the major counterpart, settled with the gain of 0.60% at 61.63. As expected, hit both upside Targets 61.80-62.51. In the same way, Japanese yen gain 0.10%, settled at 102.15 vs. previous week close of 102.30.

From the technical aspect –Above weekly chart is showing a Hammer candle stick after positive more than 5% gain in previous week. A broadening wedge pattern with the resistance 62.32 is indicating a short time correction may take place in days to come. A bullish move will arise above 62.40 or on every dip till 60.01 again. Hence, Buying on every dip till 60.05 could expect for this week.

JAPAN & China Major Economic Data & Events Update

- China's manufacturing activity decreased for the first time in six months in January, falling to 49.5 from December's 50.5 and from the 49.6 figure reported in a flash PMI released last week, an HSBC Bank survey revealed Thursday.
- Japan retail sales fell to a seasonally adjusted annual rate of 2.6%, from 4.0% in the preceding month.
- Chinese Manufacturing PMI fell to 50.5, from 51.0 in the preceding month.
- Japan industrial production rose to a seasonally adjusted 1.1%, from -0.1% in the preceding month.

Major Economic Data & Events Schedule (For Week) will Impact – JPY-INR

Date	Currency	Time	Economic Indicators	Forecast	Previous	Possible Impact
03.02.14	6:30am	CNY	Non-Manufacturing PMI	-	54.60	-
04.02.14	5:20am	JPY	Monetary Base y/y	47.20%	46.60%	Positive
	9:15am	JPY	10-y Bond Auction	-	0.72 3.8	-
05.02.14	7:00am	JPY	Average Cash Earnings y/y	0.70%	0.60%	Positive
06.02.14	9:15am	JPY	30-y Bond Auction	-	1.67 3.3	-
07.02.14	10:30am	JPY	Leading Indicators	111.90%	111.10%	Negative

Outlook - Based on above economic data and events a positive trend is expected for the pair.



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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