



Previous Week % Change in Local Market (Future)

Currency	Open	High	Low	Close	Pre. Close	% change
USD-INR	62.20	62.48	62.12	61.30	62.21	-1.46
GBP-INR	104.12	104.38	102.31	102.77	103.97	-1.15
EUR-INR	85.80	85.93	84.22	85.15	85.79	-0.75
JPY –INR	61.27	61.64	59.40	59.62	61.06	-2.36

Previous Week Change in CME Market

Currency	Open	High	Low	Close	Pre. Close	% change
Dollar Index	79.93	80.27	79.43	79.69	79.79	-0.13
EUR/USD	1.3779	1.3914	1.3708	1.3872	1.3779	0.67
GBP/USD	1.6750	1.6788	1.6641	1.6727	1.6751	-0.14
USD/JPY	101.42	103.75	101.20	103.30	101.45	1.82

Previous Week Change in Other Market

Currency	Open	High	Low	Close	Pre. Close	% change
DGXCINR	62.18	62.49	61.06	61.44	62.18	-1.19

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

	Week Feb 28 th	Week Feb 21 st	Week	End March 2013	Year
Total Reserves	294.360	293.405	0.9550	2.459	3.785
Foreign Assets *	266.90	266.868	0.032	2.532	9.294
Gold	20.978	20.075	0.90	-4.714	-5.314
SDRs	4.468	4.455	0.013	0.141	0.117
Reserve Position In IMF**	2.011	2.005	0.0057	-0.289	-0.311

*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 (MARCH)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell below 61.05	60.70-60.52	61.52 (STRICT)

Overview: The Indian Rupee (INR) strengthens near to Oct 2013 high against the dollar after India's current account deficit narrowed sharply in the third quarter amid support from expectations of a stable government.

From technical aspects – The USD-INR saw a pulled down from the peak of 62.49, towards 61.12 level. But, pair failed to cross the lower trend line of five month consolidation. This week, we expect downfall toward 60.80-60.52 only below 61.05. **Or else pair may rebound from the recent low (61.10), towards upside range 61.48-61.75.**

Major Economic Data & Events Update India and U.S.

- India's current account deficit in Oct-Dec narrowed to \$4.2 billion or 0.9% of GDP from \$31.9 billion or 6.5% of GDP in the corresponding period a year earlier, data from Reserve Bank showed. Current account deficit in second-quarter (Jul-Sep) was \$5.2 billion or 1.2% of GDP.
- U.S. Private Employers added 139,000 last month as compared to 127,000 in January. The official non manufacturing activity gauge also slowed to 51.6 in February from 54 in the previous month.
- U.S. non-farm payrolls rose to 175K, from 129K in the preceding month whose figure was revised up from 113K.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
12.03.14	11:30pm	Federal Budget Balance	-223.2B	-10.4B	Negative
13.03.14	6:00pm	Core Retail Sales m/m	0.20%	0.00%	Positive
		Retail Sales m/m	0.30%	-0.40%	Positive
		Unemployment Claims	334K	323K	Negative
14.03.14	7:25pm	Core PPI m/m	0.10%	0.20%	Negative
		Prelim UoM Consumer Sentiment	81.90	81.20	Positive

INDIA

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
12.03.14	-	IIP (y/y chg) for Jan	-	-0.60%	-
12.03.14	-	WPI inflation (y/y chg) for Feb	-	5.05%	-

Outlook – Based on above economic data and events a downside consolidation is expected for the USD-INR.



CURRENCY –EUR-INR (MARCH)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy at 84.60-84.65	85.50-86.10	SL 84.20

Overview– The Euro/USD shoot up near to a two month high 1.3872 after a status-quo ECB policy announcement as expected. In Indian Market EUR/INR fell to a near six-week low after India's CAD narrowed to below 1% of the country's GDP and settled at 85.15 down 0.75%.

From technical aspects – On the weekly chart, EUR-INR Pair trading under the consolidation pattern with massive resistance 86.30 and support 84.20. This week, Euro could take benefit against the weaker dollar. A break up above the 86.30 would confirm for extension for the next resistance 86.70. Or else 84.70-84.60 level will provide a buying opportunity.

Europe Major Economic Data & Events Update

- Euro Zone Services PMI rose to 52.6, from 51.7 in the preceding quarter.
- Euro zone retail sales increased by 1.6% in January, easily surpassing expectations for a 0.8% gain.
- Spanish services PMI fell to a seasonally adjusted 53.7, from 54.9 in the preceding month.
- Spanish unemployed people fell by 1,900 last month, compared to expectations for an increase of 74,200.
- The European Central Bank left the refinance rate unchanged at 0.25% and the marginal lending rate and deposit rate were also left unchanged at 0.75% and 0% respectively. ECB president Draghi said that moderate recovery of the euro zone was proceeding after the recent uptick in inflation dampening expectation of further monetary stimulus. .

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
10.03.14	1:15pm	French Industrial Production m/m	0.60%	-0.30%	Positive
	All Day	Euro group Meetings	-	-	-
11.03.14	12:30pm	German Trade Balance	19.3B	18.5B	Positive
	All Day	ECOFIN Meetings	-	-	-
12.03.14	3:30pm	Industrial Production m/m	0.60%	-0.70%	Positive
13.03.14	2:30pm	ECB Monthly Bulletin	-	-	-

Outlook - Based on above economic data, a Positive trend could expect for the Euro.



CURRENCY – GBP-INR (March)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy 102.50	103.30-103.60	below 101.90

Overview –GBP-INR had a negative week, closed with a loss of 1.17% at 102.77. On the other hand Sterling pound remained almost flat closed at 1.6727, down 0.14%.

From the technical aspect – GBP-INR forming a continuation triangle pattern and settled above the Ref. Reg. Channel line and the Short term moving average. Inflation Report Hearings Report (11th) may provide a valid direction for the pound. Here we could expect some strength in the GBP-INR unless pair breaks below the 101.90 and Recommend to buying strategy on every dip Till 102.50 (CMP 102.77)

U.K. Major Economic Data & Events Update

- Purchasing Managers Index inched down to 58.2 last month from a reading of 58.3 in January. Analysts had expected the index to decline to 58.0 in February.
- U.K. construction purchasing managers' index fell to 62.6 last month from a reading of 64.6 in January.
- U.K. purchasing managers rose to 53.2 last month from a reading of 51.3 in January.
- U.K. manufacturing PMI rose to 56.9 last month from a reading of 56.7 in January.
- The BoE said it was maintaining the benchmark interest rate at 0.50%, in a widely expected move. The bank also said it was to maintain the stock of asset purchases financed by the issuance of central bank reserves at GBP375 billion.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
10.03.14	7:45pm	MPC Member Bean Speaks	-	-	-
11.03.14	5:31am	BRC Retail Sales Monitor y/y	-	3.90%	-
	3:00pm	Manufacturing Production m/m	0.30%	0.30%	Neutral
	3:30pm	Inflation Report Hearings	-	-	-
	8:30pm	NIESR GDP Estimate	-	0.80%	-
12.03.14	3:00pm	Trade Balance	-8.7B	-7.7B	Negative

Outlook - Based on above economic data and events a range bound trend is expected for the GBP.



CURRENCY – JPY-INR (MARCH)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell on rise 60.52-60.50	59.80-59.30	60.78

Overview –JPY-INR was a worse performer in last week, closed with a drop of 2.36% at 59.62 as expected hit both target 61.50 and 60.90. Similarly, Yen fell to a near two week low after the Government Pension Investment Fund in Japan said that they did not see a need to purchase more Japanese government bonds.

From the technical aspect – On the weekly chart, JPY-INR looking bearish as it formed a long bearish candle stick as well as RSI 14 and 9 SMA giving a negative cross over. This week, Monetary Policy Statement and GDP data may affect the short term trend. Traders can make a short position on rise around 60.52. Massive resistance is seen at 60.80, sustain trade above only a negative trend could change for the upside target 61.35-62.00

JAPAN & China Major Economic Data & Events Update

- Chinese New Year, the PMI for February came in at 48.5, up slightly from the earlier flash reading of 48.3, and down from January’s 49.5 reading, according to a statement.
- The Chinese Yuan had weakened to over three month low after People’s Bank of China decided to follow a tight policy and sucked out liquidity from the system which led to a slump in Chinese shares.
- Chinese Trade Balance fell to -22.98B, from 31.86B in the preceding month.

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

Date	Currency	Time	Economic Indicators	Forecast	Previous	Possible Impact
10.03.14	5:20am	JPY	Current Account	-0.59T	-0.20T	Negative
		JPY	Final GDP q/q	0.20%	0.30%	Negative
	10th-14th	CNY	New Loans	730B	1320B	Negative
11.03.14	Tentative	JPY	Monetary Policy Statement	-	-	-
	Tentative	JPY	BOJ Press Conference	-	-	-
12.03.14	5:20am	JPY	BSI Manufacturing Index	11.30	9.70	Positive
		JPY	Tertiary Industry Activity m/m	0.70%	-0.40%	Positive
13.03.14	5:20am	JPY	Core Machinery Orders m/m	7.30%	-15.70%	Positive
	11:00am	CNY	Industrial Production y/y	9.50%	9.70%	Positive
		CNY	Fixed Asset Investment ytd/y	19.50%	19.60%	Negative
14.03.14	5:20am	JPY	Monetary Policy Meeting Minutes	-	-	-

Outlook - Based on above economic data and events a bearish 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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