



Previous Week % Change in Local Market (Future)

Currency	Open	High	Low	Close	Pre. Close	% change
USD-INR	62.56	62.80	61.95	62.04	62.55	-0.82
GBP-INR	102.58	102.84	101.75	101.84	102.98	-1.11
EUR-INR	85.23	85.50	84.29	84.35	85.35	-1.17
JPY –INR	60.10	60.16	59.06	59.15	59.90	-1.25

Previous Week Change in CME Market

Currency	Open	High	Low	Close	Pre. Close	% change
Dollar Index	80.87	81.18	80.53	80.62	80.87	-0.31
EUR/USD	1.3595	1.368	1.3548	1.36692	1.3582	0.64
GBP/USD	1.6411	1.6516	1.6337	1.6481	1.6402	0.48
USD/JPY	104.91	105.34	103.82	104.16	104.77	-0.58

Previous Week Change in Other Market

Currency	Open	High	Low	Close	Pre. Close	% change
CNYINR	10.28	10.32	10.15	10.15	10.27	-1.17

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

	Week Jan 3 rd	Week Dec 27 th	Week	End March 2013	Year
Total Reserves	293.109	295.708	-2.559	-1.062	1.881
Foreign Assets *	266.953	268.634	-1.680	7.227	5.891
Gold	19.724	20.603	-0.878	-5.967	-7.495
SDRs	4.434	4.461	-0.027	0.106	0.032
Reserve Position In IMF**	1.997	2.009	-0.012	-0.303	-0.310

*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 (JAN)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy 61.90-61.95	62.40-62.62	61.75.
And; Or		
Sell below 61.70	61.45-61.30	61.98.

Overview: From start of the week USD-INR saw correction from the high of 62.80, drop by 0.82% and settled at 62.04.

From technical aspects - On the weekly, pair took the support of short term EMA and gave up more than half percent of four preceding week gain. A break down below 61.70 would confirm a valid sell entry for the next week. Or else, once again we could see the upside range towards 62.55-62.75 in days to come. Additionally, downbeat monthly factory output which failed by 2% may contribute some bullish move in start of the week.

Domestic Major Economic Data & Events Update

- The Reserve Bank of India (RBI) on Thursday relaxed foreign direct investment regulations to allow investors to exit their investments subject to the conditions of a minimum lock-in period and without any assured returns.
- The RBI said the relaxation was expected to facilitate great foreign direct investment (FDI) inflows into the country. Asia's third-largest economy saw FDI inflows from April to October in 2013 drop 15 percent from a year earlier to \$12.6 billion, despite the opening of new sectors.
- India December trade deficit narrowed to \$ 10.14 billion versus \$ 7.19 billion in the same month last year. The reduction was driven by a 15.25 percent fall in imports, which came in at \$36.49 percent while exports grew at 3.5 percent to \$26.35 billion.
- India November factory output contracted by 2.1% after contracting 1.8% in October, data released by the government.

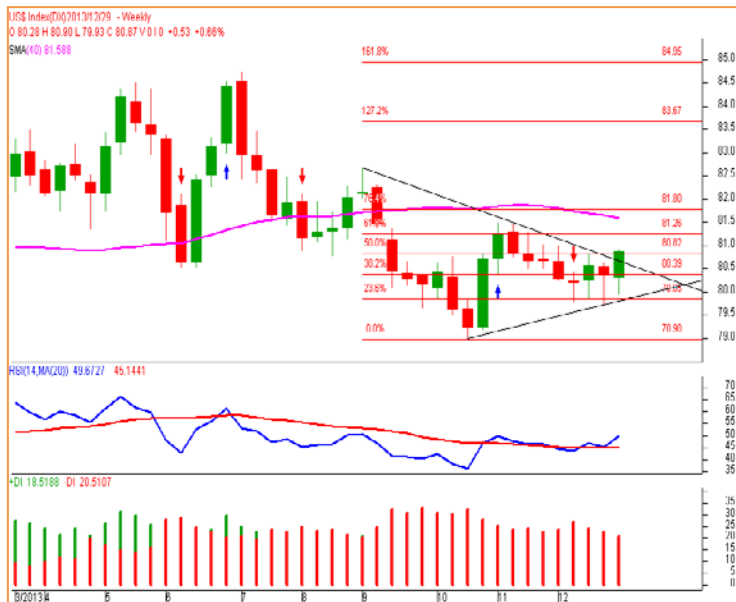
Major Economic Data & Events Schedule (For Week) From India that will Impact USD-INR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
13.01.14	-	CPI inflation	-	-	-
10.01.14	-	WPI inflation Dec	-	7.52%	-

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



CURRENCY – Dollar Index



TRADING RANGE FOR THE WEEK:

Overview– The dollar took 0.35 % correction last week closed at 80.62.

From Technical Aspects - We could expect momentum bearish in beginning of the week as on Friday data of Payroll showed that U.S. economy added far less jobs than expected last month, although tapering of the Federal Reserve's stimulus program still lent some support. On the higher side Pair will find the massive resistance 81.30 sustain trade above next level is seen at 81.50. Support level is seen at 79.65 below it currency expected to test 79.53.

U.S. Major Economic Data & Events Update

- Minutes of the Fed's December meeting showed that the bank cited a stronger labor market in its decision to cut its asset purchase program by \$10 bln, reducing it to \$75 billion-a-month.
- ADP said non-farm private employment rose by a seasonally adjusted 238,000 last month.
- U.S. Individuals filing for initial jobless benefits in the week ending January 4 declined by 15,000 to 330,000.
- U.S. Private Nonfarm Payrolls fell to 87K, from 226K in the preceding month whose figure was revised up from 196K.
- Unemployment rate fell to 6.7%, from 7.0% in the preceding month.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
14.01.14	12:30am	Federal Budget Balance	44.3B	-135.2B	Positive
	7:00pm	Core Retail Sales m/m	0.40%	0.40%	Neutral
		Retail Sales m/m	0.20%	0.70%	Negative
15.01.14	7:00pm	PPI m/m	0.50%	-0.10%	Positive
		Core PPI m/m	0.10%	0.10%	Neutral
16.01.14	7:00pm	Core CPI m/m	0.10%	0.20%	Negative
		Unemployment Claims	327K	330K	Negative
		CPI m/m	0.30%	0.00%	Positive
	9:40pm	Fed Chairman Bernanke Speaks	-	-	-
17.01.14	7:00pm	Building Permits	1.01M	1.01M	Neutral
		Housing Starts	0.99M	1.09M	Negative
	7:45pm	Industrial Production m/m	0.40%	1.10%	Negative
	8:25pm	Prelim UoM Consumer Sentiment	83.40	82.50	Positive

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



CURRENCY –EUR-INR (JAN)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 84.75-84.70	84.25-83.88	85.15.

Overview– Last week, EUR-INR pair saw about 1.17% corrections after hitting a low of 84.29 settled at 84.35. As expected pair hits our both downside Target 85.30-84.80.

From technical aspects – A long bearish candle stick on the weekly chart is showing short term bearishness. Meanwhile Weekly price action showing consolidation of 86.19-85.30, pair didn't break the massive resistance 86.30 and support 83.88.

Europe Major Economic Data & Events Update

- Euro zone's unemployment rate held steady at a seasonally adjusted 12.1% in November, in line with expectations and unchanged from October.
- Euro zone retail sales jumped by a seasonally adjusted 1.4% in November.
- The ECB kept its benchmark interest rate at a record-low 0.25%, in line with market expectations. The central bank also held its marginal lending at 0.75% and left its deposit facility rate unchanged at 0.0%.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
14.01.14	3:30pm	Industrial Production m/m	1.60%	-1.10%	Positive
16.01.14	2:30pm	ECB Monthly Bulletin	-	-	-
	3:30pm	CPI y/y	0.80%	0.80%	Neutral
		Core CPI y/y	0.90%	0.90%	Neutral
	Tentative	Spanish 10-y Bond Auction	-	-	-
17.01.14	Tentative	German Constitutional Court Ruling	-	-	-

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



CURRENCY – GBP-INR (JAN)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 102.10-102.15	101.70-101.50	102.78.

Overview – Last week, GBP-INR pair saw about 1.11% corrections after hitting a low of 101.75 settled at 101.84. In the same way after testing 1.6337 levels, GBP/USD settled with at 1.6481.

From the technical aspect – On above chart, GBP-INR trading below the median line of raff regression channel line and while forming an evening doji star candle stick pattern. Hence, this week, GBP-INR is appeared to remain bearish next week. On the upside 103.70 will act as an immediate resistance, sustain above only pair expected to test 104.50 next resistances.

U.K. Major Economic Data & Events Update

- U.K. goods trade deficit narrowed to a seasonally adjusted GBP9.44 billion in November from a deficit of GBP9.65 billion in October. Economists had expected the goods trade deficit to narrow to GBP9.45 billion in November.
- Earlier in the day, the BoE left rates on hold at 0.5% and announced no change to the size of its GBP375 billion asset purchase program, as was widely expected.
- The minutes also showed that officials were keen to stress that further reductions were not on a “preset course” and would be undertaken in “measured” steps

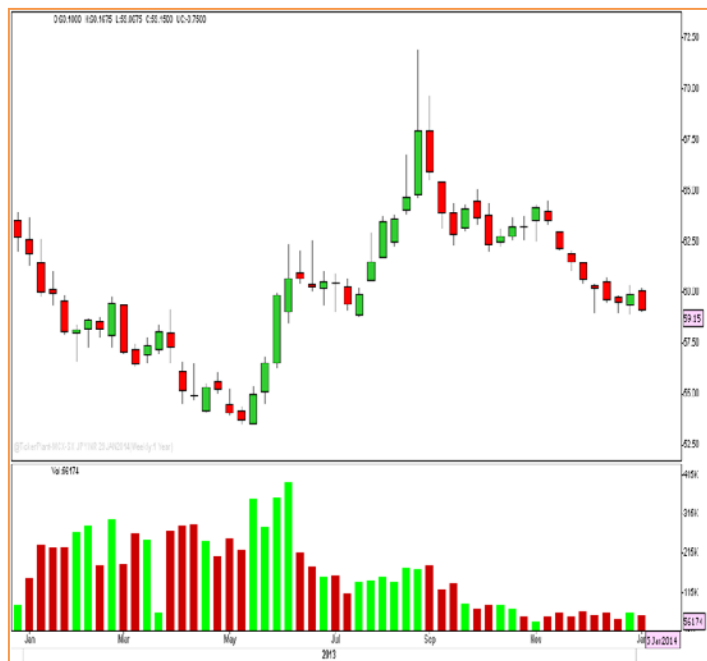
Major Economic Data & Events Schedule (For Week) will Impact - GBPINR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
06.01.14	3:00pm	Services PMI	60.70	60.00	Positive
07.01.14	7th-10th	Halifax HPI m/m	0.60%	1.10%	Negative
08.01.14	3:00pm	BOE Credit Conditions Survey	-	-	-
09.01.14	3:00pm	Trade Balance	-9.4B	-9.7B	Positive
	5:30pm	Asset Purchase Facility	375B	375B	Neutral
		Official Bank Rate	0.50%	0.50%	Neutral
	Tentative	MPC Rate Statement	-	-	-
10.01.14	5:31am	BRC Retail Sales Monitor y/y	-	0.60%	-
	3:00pm	Manufacturing Production m/m	0.40%	0.40%	Neutral

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



CURRENCY – JPY-INR (JAN)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy around 58.80-58.90	59.60-60.15	58.30.

Overview – JPY-INR saw about 1.24% corrections last week, 59.15. In the same way, Japanese yen which failed near to five year low 105.34 was able to recover against the dollar, settled at 104.16.

From the technical aspect – Weekly chart is showing a downtrend since September 05, hitting a low of 58.91 on 1st January 2014. JPY-INR broke the crucial support at 59.78, currently trading under the bearish trend while forming descending impulse which is expected to complete around 58.32. JPY-INR expected to bounce back from that level in coming days.

JAPAN & China Major Economic Data & Events Update

- Chinese CPI fell to an annual rate of 2.5%, from 3.0% in the preceding month, easing market fears of tighter monetary policy rates although the central bank is tapping the brakes on bank liquidity.
- Rising money market rates and bond yields indicate the People's Bank of China (PBOC) is tightening liquidity conditions, to reduce debt levels and contain credit growth, but there is little sign of a sharp turnaround in its policy stance.
- Chinese Trade Balance fell to 25.60B, from 33.80B in the preceding month.

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

Date	Currency	Time	Economic Indicators	Forecast	Previous	Possible Impact
13.01.14	Tentative	CNY	New Loans	589B	625B	Negative
14.01.14	5:20am	JPY	Current Account	-0.02T	-0.06T	Positive
16.01.14	5:20am	JPY	Core Machinery Orders m/m	1.20%	0.60%	Positive
		JPY	Tertiary Industry Activity m/m	0.80%	-0.70%	Positive

Outlook - Based on above economic data and events a volatile 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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