



Previous Week % Change in Local Market (Future)

Currency	Open	High	Low	Close	Pre. Close	% change
USD-INR	61.18	62.48	61.05	62.35	61.86	0.79
GBP-INR	99.60	101.99	99.60	101.49	101.18	0.31
EUR-INR	84.26	85.77	83.72	85.53	84.56	1.15
JPY –INR	60.35	60.42	59.00	60.18	60.61	-0.71

Previous Week Change in CME Market

Currency	Open	High	Low	Close	Pre. Close	% change
Dollar Index	80.24	80.42	79.76	80.18	80.64	-0.57
EUR/USD	1.3706	1.3810	1.3694	1.3735	1.3707	0.20
GBP/USD	1.6347	1.6464	1.6260	1.6293	1.6346	-0.32
USD/JPY	103.00	103.92	102.14	103.22	103.01	0.20

Previous Week Change in Other Market

Currency	Open	High	Low	Close	Pre. Close	% change
DGCX INR	61.48	62.47	60.96	62.31	61.90	0.66
CNYINR	10.09	10.25	10.02	10.24	10.10	1.39

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

	Week Dec 6 th	Week Nov 29 th	Week	End March 2013	Year
Total Reserves	295.709	291.30	4.408	3.662	0.715
Foreign Assets *	268.755	263.735	5.019	9.029	8.250
Gold	20.603	21.227	-0.624	-5.088	-7.200
SDRs	4.441	4.432	0.008	0.105	0.021
Reserve Position In IMF**	1.908	1.904	0.003	0.114	-0.3596

*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 (DEC)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy 62.15-62.10	62.57-62.74-62.95	61.78
And; Or		
Sell below 61.70	61.30-61.05-60.80	62.10.

Overview: USD-INR headed for their one week gain last week as concern over the U.S. Federal Reserve could start scaling back its stimulus as early as next week and negative trend in across the financial market supported the bullish sentiment in the greenback.

From technical aspects - After hitting a low 61.05 USD-INR bounced back towards 62.4850, settled with the gain of 0.79% at 62.35. On the above weekly chart a bottom reversal Piercing Line Pattern is indicating for the further bullish move but rather than technical aspect pair will react on RBI mid quarter review with forecast of hike in repo rate by 25 basis points to 8% after consumer price index based inflation spiked in November may bring bullish move in the INR.

Domestic Major Economic Data & Events Update

- Trade deficit in November stood at \$9.22 billion compared with \$10.56 billion in October after gold shipments from overseas fell sharply. The deficit had previously narrowed to a two-and-a-half-year low in September.
- India Merchandise exports rose by 5.86 % year-on-year in November to \$24.6 billion and Imports fell by 16.37% year-on-year to \$33.83 billion.
- Industrial output contracted 1.8% in October, first contraction since June, compared to forecast of 1.20%, actual was at 2%.
- Consumer price index, inflation accelerated to 11.24% in November led by food and vegetable prices, its highest since March 2012, from 11.06% a month earlier.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
16.12.13	Tentative	Nov WPI inflation	6.50% to 7.5%	7%	Positive
18.12.13	Tentative	Mid-Quarter Review of Monetary Policy 2013-2014	-	-	-

Outlook - Based on FOMC and Reserve bank of India policy meeting a volatile to bullish trend is expected for the pair.



CURRENCY – Dollar Index



TRADING RANGE FOR THE WEEK:

Overview– Dollar index remained in under pressure drop by 0.57% and closed at 80.18 against the major counterpart ahead of the big juncture so called FOMC monthly meeting scheduled this week on 17th – 18th Dec. it will be more interesting to watch that is Fed will meet to Taper monthly bond purchases or not? as both expectation are persisting among the investor mind.

From Technical Aspects - This week we could expect a high volatility in the dollar, as decision of Fed will play a vital role for the greenback. A tapering in the monthly bond that is currently \$85 billion may bring bullish rally in the dollar or any delay or extension is expected to bring a drastic selling pressure. On the higher side Pair will find the massive resistance 80.45, sustain trade above next level is seen at 80.83 81.41. Support level is seen at 79.70 below it currency expected to test 79.53-79.00.

U.S. Major Economic Data & Events Update

- U.S. initial jobless benefits in the week ending December 7 increased by 68,000 to a seasonally adjusted 368,000.
- India's industrial production contracted at -1.8% Vs 2% for the first time in four months in October in a sign that economic recovery remains fragile.
- U.S. retail sales rose by a seasonally adjusted 0.7% in November, beating expectations for a 0.6% increase.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
17.12.13	7:00pm	Core CPI m/m	0.10%	0.10%	Neutral
18.12.13	7:00pm	Building Permits	0.99M	1.04M	Negative
19.12.13	12:30am	FOMC Economic Projections	-	-	-
		FOMC Statement	-	-	-
	1:00am	FOMC Press Conference	-	-	-
	7:00pm	Unemployment Claims		368K	

Outlook - The US Federal Reserve will meet on Dec 17-18 to debate on Taper or delay the first reduction in its bond purchases until March 2014. Based on above economic data a volatile trend is expected for the pair.



CURRENCY –EUR-INR (DEC)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 85.80-85.90	85.20-84.50	86.25
And; Or		
Buy above 86.30	86.89-87.30	85.55.

Overview– EUR-INR extended its long run consolidation range last week, after hitting a low of 83.72, it bounced back towards 85.77 ended with gain of 1.45%. Pair reacted according to the EUR/USD which remained volatile against the dollar index. Made a high \$1.3810 settled at \$1.3707.

From technical aspects – On the above daily chart EUR-INR showing near about three month consolidation phase. A Median line of Raff regression channel line will be the immediate support at 84.50 while upper line will be act as a strong resistance at 86.60 either side break out or break down in the near term will bring a sharp move in the pair.

Europe Major Economic Data & Events Update

- Euro zone employment change remained unchanged at 0.0%, from -0.1% in the preceding month.
- Euro zone confidence deteriorated to 8.0 this month from a reading of 9.3 in November.
- Spanish CPI rose to 0.2%, from 0.4% in the preceding month.
- Euro zone industrial production dropped by 1.1% in October, disappointing expectations for a 0.3% increase.
- Industrial production in Germany slowed 1.1% compared to 0.2% fall a month earlier.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
16.12.13	1:30pm	French Flash Manufacturing PMI	49.10	48.40	Positive
	2:00pm	German Flash Manufacturing PMI	53.10	52.70	Positive
		German Flash Services PMI	55.20	55.70	Negative
	2:30pm	Flash Manufacturing PMI	51.90	51.60	Positive
		Flash Services PMI	51.50	51.20	Positive
	7:30pm	ECB President Draghi Speaks	-	-	-
17.12.13	3:30pm	German ZEW Economic Sentiment	55.50	54.60	Positive
		CPI y/y	0.90%	0.90%	Neutral
		ZEW Economic Sentiment	60.9	60.2	Positive
18.12.13	2:30pm	German Ifo Business Climate	109.70	109.30	Positive
	All Day	ECOFIN Meetings	-	-	-
19.12.13	2:30pm	Current Account	-	13.7B	-

Outlook - Based on above economic data and FOMC meeting a positive to volatile trend is expected for the pair.



CURRENCY – GBP-INR (DEC)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 101.50-101.55	100.60-100.00	102.15
And; Or		
Buy above 102.20	102.80-103.15	101.60.

Overview – GBP-INR witnessed 0.35% correction in the last week and closed at 101.49. On the other hand, The British pound fell below the 1.6260 level after the US dollar gained some momentum. The pound slipped against the dollar as investors trimmed long bets before a Federal Reserve policy meeting next week and a slew of British data including unemployment.

From the technical aspect – On Weekly chart GBP-INR broke the nine week rising channel line pattern and hit both downside Target as profit-taking was seen after a bullish rally amid optimism about the strength of the UK economy and bets the Bank of England could be the first major central bank to raise rates from below \$1.50 in July.

U.K. Major Economic Data & Events Update

- U.K. goods trade deficit narrowed to GBP9.73 billion in October from a deficit of GBP10.01 billion in September.
- U.K. manufacturing production increased by 0.4% in October, meeting expectations. Manufacturing production in September rose by 1.2%.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
17.12.13	3:00pm	CPI y/y	2.20%	2.20%	Neutral
18.12.13	3:00pm	Claimant Count Change	-35.2K	-41.7K	Positive
		MPC Asset Purchase Facility Votes	0-0-9	0-0-9	-
		MPC Official Bank Rate Votes	0-0-9	0-0-9	-
		Unemployment Rate	7.60%	7.60%	Neutral
	4:30pm	CBI Realized Sales	9.00	1.00	Positive
19.12.13	3:00pm	Retail Sales m/m	0.3%	-0.70%	Positive
20.12.2013	3:00pm	Current Account	-13.8B	-13.0B	Negative
		Final GDP q/q	0.8%	0.80%	Neutral

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



CURRENCY – JPY-INR (DEC)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy on dip till 59.40	60.20-61.05	58.90
And; Or		
Sell below 58.80	58.40-57.80	59.30.

Overview – JPY-INR tumbled towards five month low at 59 last week and drop by 0.71% and settled at 60.18. On the other hand, Japanese yen was able to recover some losses and settled at 103.01 but remained weaker as Japanese industrial production printed twice as high. An approval of a ¥5.5 trillion supplementary budget for fiscal 2013 to fund a stimulus package designed to minimize the negative impact of next spring’s consumption tax hike added some bearish sentiment.

From the technical aspect – A hammer candle stick after five consecutive week correction has been witnessed on the weekly chart, signalling for the trend reversal. Crucial support level is seen at 58.84 only sustain trade below we could expect downside move till 58.43-57.50.

JAPAN & China Major Economic Data & Events Update

- Chinese CPI fell to an annual rate of 3.0%, from 3.2% in the preceding month.
- Japanese Current Index expanded to 53.5, from 51.8 in the preceding month.
- Chinese Trade Balance rose to 33.80B, from 31.10B in the preceding month.
- Chinese Industrial Production drop to 10.0%, from 10.3% in the preceding month.
- Japanese Prime Minister Shinzo Abe's cabinet approved on Thursday a \$53 billion extra budget for the current fiscal year to fund stimulus steps announced last week aimed at offsetting the blow from a planned increase in the national sales tax.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
16.12.2013	5:20am	Tankan Manufacturing Index	16.00	12.00	Positive
		Tankan Non-Manufacturing Index	16.00	14.00	Positive
18.12.2013	5:20am	Trade Balance	-1.13T	-1.07T	Negative
20.12.2013	Tentative	Monetary Policy Statement	-	-	-
	Tentative	BOJ Press Conference	-	-	-

Outlook - Based on above economic data and events upside consolidation 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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