



Forex Update:

After posting a strong rally in the start of the week towards 64, the dollar ended at its lowest level in one week at 63.10 against the Rupee as a debate about the QE3 tapering program followed by new Fed chairman nominee Janet Yellen comments dominated the greenback demand against its all major counterpart. Japanese yen tumbled by 1.24% at 100.21 after comments from Finance Minister Aso and members of the Bank of Japan for the currency intervention through which Japan economy may turn from deflation to inflation. Euro gave up some gain and declined after Euro zone growth came in at 0.1% for the third quarter, down from 0.3% in Q2. The pound continued to appreciate above 1.6111 levels in reaction to mid week hawkish Bank of England Quarterly Inflation Report.

Succinct Summation of Previous Week:

Positive:

- India's industrial production growth picked up to 2% year on year in September, from a revised reading of 0.4 % in August, driven by an uptick in export and domestic orders.
- U.K. claimant count fell by 41,700 last month, better than expectations for a decline of 35,000 people.
- U.S. prelim Q3 GDP grows 2.8%, above expectations for growth of 2%.
- U.S weekly for initial jobless benefits in the week ending November 9 declined by 2,000 to a seasonally adjusted 339,000.
- Germany's gross domestic product increased by 0.3% during the third quarter, broadly in line with estimates and slowing from the 0.7% growth achieved in the second quarter.
- India's foreign exchange reserves raised to \$282.11 billion as of Nov. 8, compared with \$281.29 billion in the earlier week, the Reserve Bank of India.

Negative:

- U.S.Industrial production fell to -0.1%, from 0.7% in the preceding month whose figure was revised up from 0.6%.
- India wholesale price index (WPI), climbed 7.0% in October, compared with 6.46 % in September.
- U.S. trade deficit widened to \$41.8 billion in September from a deficit of \$38.7 billion in August.
- Japan's Core Machinery Orders fell to -2.1%, from 5.4% in the preceding month.

Next Week Important Events & Data:

- 20-Nov-13 – Fed Chairman Bernanke Speaks & FOMC Meeting Minutes. U.K. MPC Official Bank Rate Votes
- 21-Nov-13 –China HSBC Flash Manufacturing PMI. Monetary Policy Statement of Bank of Japan.

Previous Week % change in Currency Market (07th Nov – 14th Nov 2013)

Currency (MCX-SX)	Open	High	Low	Close	% change
USD-INR	63.10	64.19	63.09	63.51	0.77
GBP-INR	101.57	102.13	101.11	101.61	0.30
EUR-INR	84.75	86.26	84.68	85.25	0.74
JPY –INR	64.00	64.50	63.32	63.53	-0.99



CURRENCY – USD-INR (Nov)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 63.70-63.80	63.40-63.05	64.20.
And; Or		
Buy above 64.25	64.50-64.68	63.95.

Overview After posting a strong rally in the start of the week towards 64.19, the USD-INR ended at its lowest level in one week at 63.51 with gain of 0.77%. The dollar index turned bearish at 80.83, after the new Federal Reserve Chair Janet Yellen dovish testimony comments which put the expectations of scale back stimulus tools at its December meeting. From the Technical aspects, Weekly chart showing a shooting star candle stick which showing that selling pressure again take place in the market.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
18.11.13	10:30am	FOMC Member Rosengren & Dudley Speaks	-	-	-
19.11.13	6:15pm	Treasury Sec Lew Speaks	-	-	-
20.11.13	4:30am	Fed Chairman Bernanke Speaks	-	-	-
	6:00pm	Core CPI m/m	0.10%	0.10%	Neutral
		Core Retail Sales m/m	0.20%	0.40%	Negative
		Retail Sales m/m	0.10%	-0.10%	Positive
		CPI m/m	0.00%	0.20%	Negative
	7:30pm	Existing Home Sales	5.21M	5.29M	Negative
	11:30pm	FOMC Meeting Minutes	-	-	-
21.11.13	6:00pm	Unemployment Claims	333K	339K	Positive
		Core PPI m/m	0.20%	0.10%	Positive

Impact of Major Economic Events & Data –

U.S. economic calendar likely to starts the week with FOMC Member Rosengren & Dudley Speaks which expected to bring sideline impact for the greenback. Tuesday will come again with the Treasury Sec Lew Speaks. Wednesday may bring sharp movement for the dollar as new appointed Fed Chairman Speaks and FOMC Meeting Minutes may have strong impact on it, as debate about the bond buying Programme is continued changing the investor sentiment every day. On the same day Foreseen CPI, Existing Home Sales, and Core retail data are assumed to bring some negative sentiment for the greenback. However, Core CPI and Retail Sales may have positive impact. The foreseen weekly unemployment Claims and Core PPI m/m on Thursday may have slightly positive impact for the greenback.

Hence, we expect that USD-INR should trade on consolidation node during the week.



CURRENCY –EUR-INR (Nov)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 85.80-85.75	85.10-84.70	86.30
And; Or		
Buy on dip 84.60	85.50-85.80	84.30

Overview– EUR-INR remained bullish in the week, after hitting a high of 86.26 settled at 85.25, and gained 0.74%. The weakness in the dollar index against the major counterpart weighted on the upside move. Looking to the weekly chart we could expect a short time trend reversal or some amount of correction in the Pair and every dip may provide an opportunity to go long side. Pair will find the weekly resistance at 85.60 while on the downside 84.40, sustain trade below only next support level could be seen till 83.50-82.80.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
18.11.13	1:30pm	Current Account	18.3B	17.4B	Positive
19.11.13	2:30pm	German ZEW Economic Sentiment	54.60	52.80	Positive
		ZEW Economic Sentiment	63.10	59.10	Positive
20.11.13	11:30am	German PPI m/m	0.10%	0.30%	Negative
21.11.13	12:30pm	French Flash Manufacturing PMI	49.60	49.10	Positive
		French Flash Services PMI	51.30	50.90	Positive
	1:00pm	German Flash Manufacturing PMI	52.30	51.70	Positive
		German Flash Services PMI	53.10	52.90	Positive
	1:30pm	Flash Manufacturing PMI	51.60	51.30	Positive
		Flash Services PMI	51.90	51.60	Positive
22.11.13	1:30pm	German Ifo Business Climate	107.90	107.40	Positive

Impact of Major Economic Events & Data –

The economic data from Euro zone likely to start from Monday with Current Account which expected to bring positive sentiment. Tuesday will come with German and ZEW Economic Sentiment which expected to add again bullish sentiment. On Wednesday German PPI data may bring some correction for it. On Thursday the batch of French and German Flash Manufacturing PMI, and Services PMI expected to be in favor for the Euro. At the end of the day German Ifo Business Climate may extended positive rally for the Currency.

Hence, we expect that EUR-INR will remain on a bullish zone during the week.



CURRENCY – GBP-INR (Nov)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 101.80-101.85	101.10-100.50	102.25.
And; Or		
Buy above 102.30	102.80-103.60	101.60.

Overview – The pound held a bullish week, settled 101.61, and gained about 0.33%. As expected in the previous week hit both upside Target 101.50 and 102.20 on the otherwise, short position below 99.10 has not been initiated. On the Weekly chart, Pair has attempted a break out of consolidation and at the end formed a doji candle stick pattern that has been in place at 38.2% Fibonacci retracement around 102.21 levels. Next week bullish rally could be expected only above 102.25 towards 102.80-103.60 Or else, pair may take short time correction at this point till the immediate support 100.10.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
18.11.13	4:31am	Rightmove HPI m/m	-	2.80%	-
19.11.13	Tentative	10-y Bond Auction	-	2.74 1.8	-
20.11.13	2:00pm	MPC Asset Purchase Facility Votes	0-0-9	0-0-9	-
		MPC Official Bank Rate Votes	0-0-9	0-0-9	-
21.11.13	2:00pm	Public Sector Net Borrowing	10.1B	9.4B	Positive
	3:30pm	CBI Industrial Order Expectations	0.00	-4.00	Negative

Impact of Major Economic Events & Data –

This week U.K. will have very few economic event and data series, which will start from the Monday with the Right move HPI expected to bring range bound trading for the GBP. On Tuesday 10 year bond auction may bring volatility for the currency. On Wednesday important one MPC asset purchase facility votes and Bank rate vote after recent policy may bring significant move for the Pound, as the breakdown of votes provides insight into which members are changing their stance on asset purchases and how close the committee is to enacting a change in future purchases. On Thursday foreseen Public Sector Net Borrowing figures is appeared to bring again positive sentiment for the Pound. While on the same day CBI Industrial Order Expectations may have negative 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 (Nov)



TRADING STRATEGY

(In Rs.)	Target	SL
Buy above 64.50	64.90-65.50	63.50
And; Or		
Sell below 63.26	62.50-61.79	63.60.

Overview – JPY-INR had a bearish week, settled near to week low at 63.53 drop by 0.99%. As expected pair hit our downside Target 63.50, and didn't broke the 64.50 as per the long side level. This week we could expect again bearish trend in the pair, as on the weekly chart it didn't broke the previous week strong resistance while USDJPY attempted a Triangle breakout around 100 levels which may put the selling pressure in the JPY-INR. Hence, traders can stay short side with stop above 64.50. On the upside, a sustained trade above this pair may take rally towards 65.52-65.85..

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
20.11.13	4:20am	Trade Balance	-0.88T	-1.09T	Positive
	9:00am	All Industries Activity m/m	0.50%	0.30%	Positive
21.11.13	Tentative	Monetary Policy Statement	-	-	-
	Tentative	BOJ Press Conference	-	-	-
22.11.13	9:30am	BOJ Monthly Report	-	-	-

Impact of Major Economic Events & Data –

This week, a small numbers of economic data are to be schedule from the Japanese economy which likely to start from the mid week with Trade Balance and All Industries Activity scheduled which expected to bring positive sentiment for the Yen. On Thursday Monetary policy statement and Bank of Japan press conference is appeared to have strong impact on it. in the last week, Finance Minister Aso and members of the Bank of Japan promised for the intervention to support the Japanese economy continue to turn from deflation to inflation. After its massive stimulus injecting in April, things started to improve for the Japanese economy, but recent data is showing a slowdown in the effects. Japan's current account balance plummeted by nearly two-thirds in August from a year ago, surprised the forecasters that had assumed it would grow nearly a fifth. At the end of the week, Bank of Japan Monthly report is assumed to bring volatility for the Yen.

All the above data indicates that JPY-INR should trade on a bullish 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.

Contact

SMS: 'Arihant' to 56677

Websitewww.arihantcapital.com**Email Id**research@arihantcapital.com

**Arihant Is Forbes Asia's '200 Best under a \$Billion' Company
'Best Emerging Commodities Broker' awarded by UTV Bloomberg**

Disclaimer: This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

ARIHANT capital markets ltd.

Currency Research Desk: 6, Lad Colony, Y.N. Road Indore-3
T: 0731-4217191. Fax: 0731-4217103
3rd Floor Krishna Bhavan, 67 Nehru Road, Vile Parle (E), Mumbai – 400057
Tel. 022-42254800 Fax. 022-42254880
www.arihantcapital.com