



Previous Week % Change in Local Market (Future)

Currency	Open	High	Low	Close	Pre. Close	% change
USD-INR	61.75	61.86	61.38	61.63	62.04	-0.66
GBP-INR	101.70	101.86	100.26	101.26	101.84	-0.57
EUR-INR	84.33	84.47	83.56	83.82	84.35	-0.63
JPY –INR	59.52	59.74	58.79	59.05	59.15	-0.17

Previous Week Change in CME Market

Currency	Open	High	Low	Close	Pre. Close	% change
Dollar Index	80.58	81.30	80.44	81.18	80.62	0.69
EUR/USD	1.3680	1.3698	1.3518	1.3527	1.3679	-1.11
GBP/USD	1.6495	1.6500	1.6307	1.6407	1.6494	-0.53
USD/JPY	103.39	104.92	102.84	104.27	103.40	0.84

Previous Week Change in Other Market

Currency	Open	High	Low	Close	Pre. Close	% change
DGXCINR	61.62	61.86	61.37	61.77	61.57	0.32

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

	Week Jan 10 <sup>th</sup>	Week Jan 3 <sup>rd</sup>	Week	End March 2013	Year
Total Reserves	293.286	293.109	0.177	1.240	-2.965
Foreign Assets *	267.143	266.953	0.190	7.417	4.867
Gold	19.724	19.724	---	-5.967	-7.495
SDRs	4.425	4.434	0.008	0.097	-0.007
Reserve Position In IMF**	1.993	1.997	0.003	-0.307	-0.330

\*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
Sell 62.20-62.25	61.70-61.30	62.59.

**Overview:** The local currency posted a gain of 0.66% against the dollar last week as inflows into debt market and domestic Inflation data which eased to five month low at 6.16% helped strengthen the rupee.

**From technical aspects** - A small bearish candle stick has been witnessed on the weekly chart while USD-INR forming a consolidation pattern. For the short term perspective bearish trend could expect till the support of 61.30-61.20 area. Every rise till 62.30 may provide a valid sell entry in days to come. On the upside 62.60-62.90 will act as a weekly resistance. Although trading expected to range bound with all Eyes on the RBI's Jan. 28 policy review.

## Domestic Major Economic Data &amp; Events Update

- India's economy will grow by 6.2% in 2014-15, the World Bank said on Wednesday, lowered its earlier estimate of 6.5% expansion for the year.
- India's headline inflation eased to a five month low at 6.16% compared to 7.52% on lower food and vegetable prices.
- India's consumer price index-based inflation fell to a three-month low of 9.87% in December on lower prices of vegetables and food compared to 11.24% a month earlier boosting hopes of steady RBI rate.

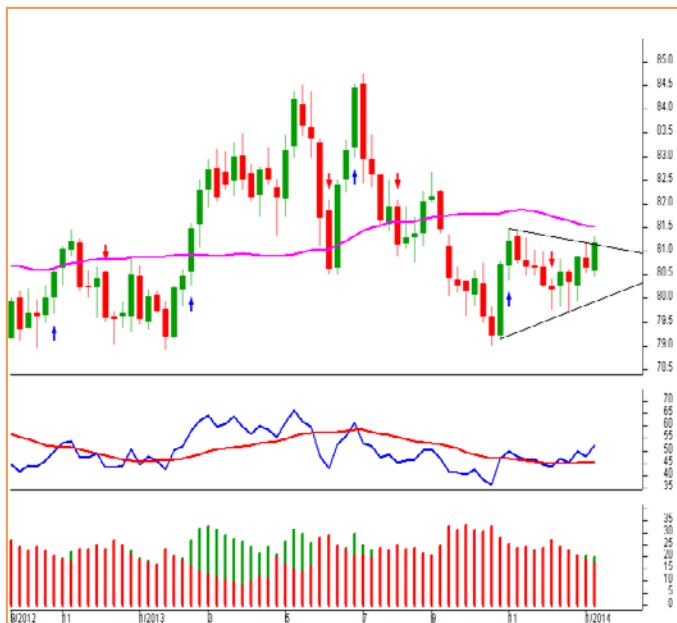
## Major Economic Data &amp; Events Schedule (For Week) From India that will Impact USD-INR

Date	Economic Indicators	Previous	Possible Impact
20.01.14	CPI inflation DEC		
	-Agricultural laborers	13.43%	-
	-Rural laborers	13.27%	-
21.01.14	NSE to launch bond futures on 10-year government bond		
23.01.14	Money Supply data		

**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**– Dollar index settled at 81.21, with 0.69% gain last week. Fed Chairman Ben Bernanke statement which indicated that quantitative easing had helped the economy and showed no immediate sign of a risk and the strong economic data helped maintain the index above 81.

**From Technical Aspects** – On the weekly chart, U.S dollar index trading on the verge of consolidation break out where 81.35 would be confirm the pattern. A sustain trade above 81.35 will be offer the next resistance of 81.66-81.80 during the week. On the downside 79.65 will be the crucial support.

U.S. Major Economic Data & Events Update

- U.S. retail sales rose by a seasonally adjusted 0.2% last month, beating expectations for a 0.1% increase.
- US Federal Reserve Chairman Ben Bernanke said that the fiscal stimulus did not pose any risk in the form of asset price bubbles hinted that quantitative easing would help the US economy recover.
- Weekly jobless benefits in the week ending January 11 declined by 2,000 to 326,000 from the previous week’s revised total of 328,000.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
22.01.14	Day 1	WEF Annual Meetings	-	-	-
23.01.14	Day 2	WEF Annual Meetings	-	-	-
	7:00pm	Unemployment Claims	331K	326K	Negative
	7:30pm	Flash Manufacturing PMI	55.20	54.40	Positive
		HPI m/m	0.40%	0.50%	Negative
	8:30pm	Existing Home Sales	4.99M	4.90M	Positive
		CB Leading Index m/m	-	0.80%	-
24.01.14	Day 3	WEF Annual Meetings	-	-	-

**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 below 83.55	83-82.88-82.50.	83.80

**Overview**– Last week, EUR-INR pair extended its recent bearish trend after hitting a low of 83.56 settled at 83.52 drop by 0.57%. As expected pair hits our both downside Target 84.25-83.88. In the same way EUR/USD ended down by 1.11%, at 1.3527.

**From technical aspects** – A long run consolidation breakdown at 83.70 may be sign for the correction about 0.80-1.50 in this week. 83.55 will be the crucial support level and further downside move could be seen only below it. Hence, this week selling could arise below 83.55.

## Europe Major Economic Data &amp; Events Update

- Euro zone consumer price inflation rose by 0.8% last month, and inflation rose by 0.9% in November.
- Draghi maintained that officials would use "all tools" to boost growth in the 17-nation economy including an "unwarranted tightening of the short-term money markets". The Governing council had also conformed to its accommodative monetary policy and pledged to keep interest rates low for an extended period of time.
- Euro zone trade surplus widened to a EUR16.0 billion in November from a surplus of EUR14.3 billion in October.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
20.01.14	12:30pm	German PPI m/m	0.20%	-0.10%	Positive
	4:30pm	German Buba Monthly Report	-	-	-
21.01.14	Tentative	German Constitutional Court Ruling	-	-	-
	3:30pm	German ZEW Economic Sentiment	63.40	62.00	Positive
		ZEW Economic Sentiment	70.20	68.30	Positive
22.01.14	Day 1	WEF Annual Meetings	-	-	-
23.01.14	1:30pm	French Flash Manufacturing PMI	47.60	47.00	Positive
		French Flash Services PMI	48.20	47.80	Positive
		Spanish Unemployment Rate	26.00%	26.00%	Neutral
	2:00pm	German Flash Manufacturing PMI	54.70	54.30	Positive
		German Flash Services PMI	54.10	53.50	Positive
	2:30pm	Current Account	19.2B	21.8B	Negative
		Flash Manufacturing PMI	53.20	52.70	Positive
		Flash Services PMI	51.50	51.00	Positive

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



## CURRENCY – GBP-INR (JAN)



## TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy around 100.60	101-101.60.	100.20.

**Overview** – Last week, GBP-INR pair saw about 0.57% corrections after hitting a low of 100.26 settled at 101.26. In the same way after testing 1.6307 levels, GBP/USD settled at 1.6407. As expected hit Target 101.70-101.50.

**From the technical aspect** – On the weekly chart GBP-INR had formed a hammer candle stick while trading between the consolidation patterns. This week, GBP-INR is appeared to being with positive opening after the stronger retail sales data. Further bearish move till 99.90- 99.60 could expected only below 100.20. Otherwise some positive sentiment could expect in days to come. Therefore, we recommend a buying strategy for the week.

## U.K. Major Economic Data &amp; Events Update

- Retail Sales in the UK surged to 2.6% in December much ahead of expectations 0.4% and compared to 0.1% a month earlier while retail sales excluding fuel rose 2.8% in December compared to expectations of 0.3% and compared to 0.2% a month earlier.
- U.K. rate of consumer price accelerated at a seasonally adjusted 2% last month, down from 2.1% in November.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
21.01.14	4:30pm	CBI Industrial Order Expectations	11.00	12.00	Negative
22.01.14	3:00pm	Claimant Count Change	-32.3K	-36.7K	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	7.30%	7.40%	Positive
		Average Earnings Index 3m/y	1.10%	0.90%	Positive
		Public Sector Net Borrowing	12.3B	14.8B	Negative
23.01.14	2:00pm	MPC Member McCafferty Speaks	-	-	-
	2:30pm	MPC Member Fisher Speaks	-	-	-
	4:30pm	CBI Realized Sales	28.00	34.00	Negative

**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 58.60-58.70	59.10-59.60	58.30.

**Overview** – Last week, JPY-INR struggled to trade above the 58.90 level, settled at 59.05. In the same way, Japanese yen drop by 0.84%, settled at 104.27.

**From the technical aspect** – On the above chart JPY-INR showing the six consecutive week consolidation around 58.70 levels. Currently pair 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. Hence, Buying on every dip till 58.50 could expect for this week.

JAPAN & China Major Economic Data & Events Update

- Japan’s Current Account fell to a seasonally adjusted -0.05T, from -0.06T in the preceding month.
- Japan’s Economy Watchers Current Index rose to a seasonally adjusted 55.7, from 53.5 in the preceding month.

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

Date	Currency	Time	Economic Indicators	Forecast	Previous	Possible Impact
20.01.14	7:30am	CNY	GDP q/y	7.60%	7.80%	Negative
		CNY	Fixed Asset Investment ytd/y	19.90%	19.90%	Neutral
		CNY	Industrial Production y/y	9.80%	10.00%	Negative
		CNY	NBS Press Conference	-	-	-
22.01.14	Tentative	JPY	Monetary Policy Statement	-	-	-
	Tentative	JPY	BOJ Press Conference	-	-	-
	Day 1	ALL	WEF Annual Meetings	-	-	-
23.01.14	7:15am	CNY	HSBC Flash Manufacturing PMI	50.60	50.50	Positive
		Day 2	ALL	WEF Annual Meetings	-	-
24.01.14	Day 3	ALL	WEF Annual Meetings	-	-	-

**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.

**Contact**

SMS: 'Arihant' to 56677

**Website**[www.arihantcapital.com](http://www.arihantcapital.com)**Email Id**[research@arihantcapital.com](mailto:research@arihantcapital.com)

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**ARIHANT capital markets Ltd.**3<sup>rd</sup> Floor Krishna Bhavan, 67 Nehru Road, Vile Parle (E), Mumbai – 400057

Tel. 022-42254800 Fax. 022-42254880

[www.arihantcapital.com](http://www.arihantcapital.com)