



Previous Week % Change in Local Market (Future)

Currency	Open	High	Low	Close	Pre. Close	% change
USD-INR	62.03	62.48	61.85	62.11	62.08	0.05
GBP-INR	104.05	104.31	103.18	103.58	103.70	-0.12
EUR-INR	85.02	85.93	84.84	85.14	85.04	0.12
JPY –INR	60.94	61.37	60.50	60.63	60.99	-0.59

Previous Week Change in CME Market

Currency	Open	High	Low	Close	Pre. Close	% change
Dollar Index	80.27	80.42	79.93	80.26	80.16	0.12
EUR/USD	1.3709	1.3774	1.3688	1.3738	1.3698	0.29
GBP/USD	1.6787	1.6796	1.6610	1.6644	1.6746	-0.61
USD/JPY	101.59	102.82	101.55	102.25	101.80	0.44

Previous Week Change in Other Market

Currency	Open	High	Low	Close	Pre. Close	% change
DGXCINR	61.09	62.48	61.81	62.02	61.90	0.19

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

	Week Feb 14 <sup>th</sup>	Week Feb 07 <sup>th</sup>	Week	End March 2013	Year
Total Reserves	293.78	292.330	1.458	1.743	0.270
Foreign Assets *	267.24	265.832	1.414	7.521	7.461
Gold	20.075	20.075	0.00	-5.616	-6.899
SDRs	4.459	4.428	0.030	0.131	0.052
Reserve Position In IMF**	2.007	1.993	0.013	-0.293	-0.344

\*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
Buy 62.05-62.	62.55-62.75	61.75 (STRICT)

**Overview:** The local currency (INR) remained sluggish against the dollar last week after hitting high of 62.48, settled at 62.11 with minor loss of 0.05%.

**From technical aspects** – As we predicted in our previous week report, the USD-INR stayed downside and hit second Target. This week, we could expect a pullback towards immediate resistance of 62.75-62.95 (from 61.05 levels). The above chart is showing an inverted hammer candle stick which may be sign for some positive move with the massive support of 61.70. **On the downside, a bearish trend could expect below 61.70 till 61.45-61.10.**

Domestic Major Economic Data & Events Update

- Finance Minister P Chidambaram in the interim budget announced lower India's fiscal deficit for both the current and the next fiscal year even as the current account deficit was contained below the government target.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
28.02.14		GDP OCT- DEC	-	4.8%	-
		Fiscal deficit (pct of Budget)Apr- Jan	-	-	-
		CPI inflation	-	-	-

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
25.02.14	8:30pm	CB Consumer Confidence	80.20	80.70	Negative
26.02.14	8:30pm	New Home Sales	406K	414K	Negative
27.02.14	7:00pm	Core Durable Goods Orders m/m	-0.10%	-1.30%	Negative
		Unemployment Claims	333K	336K	Positive
28.02.14	7:00pm	Prelim GDP q/q	2.60%	3.20%	Negative
	8:30pm	Pending Home Sales m/m	2.90%	-8.70%	Positive

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



CURRENCY –EUR-INR (MARCH)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy above 85.88	86.11-86.60	85.57

**Overview**–EUR-INR closed slightly positive at 85.14. Similarly EUR-USD retests the week’s high at 1.3772. Flat U.S. interest rates helped to boost the Euro against the dollar.

**From technical aspects** – On the weekly chart, EUR-INR formed an inverted hammer candle stick and more than four week indecisive sticks are assumed to bring a sharp upside or downside move in days to come. This week, a break up above the 85.88 would confirm for a valid Buy entry for the upside Target of 86.11-86.60. Otherwise pair could take correction towards 85.57-85.08 level.

Europe Major Economic Data & Events Update

- Euro zone current account fell to 21.3B, from 23.3B down from 23.5B.
- Gross domestic product in the euro zone rose 0.3% in the fourth quarter from 0.1% a quarter earlier, the European Union’s Statistic office said Feb 14.
- German economic sentiment came in at 55.7 this month, down from 61.7 in January. Analysts had expected an unchanged reading.
- The euro zone’s manufacturing PMI fell to a two-month low of 53.0 from 54.0 in January, compared to expectations for an unchanged reading.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
24.02.14	2:30pm	German Ifo Business Climate	110.70	110.60	Positive
	3:30pm	CPI y/y	0.70%	0.70%	Neutral
		Core CPI y/y	0.80%	0.70%	Positive
25.02.14	6:15pm	EU Economic Forecasts	-	-	-
26.02.14	12:30pm	GfK German Consumer Climate	8.30	8.20	Positive
27.02.14	All Day	German Prelim CPI m/m	0.60%	-0.60%	Positive
	2:25pm	German Unemployment Change	-10K	-28K	Positive
28.02.14	12:30pm	German Retail Sales m/m	1.20%	-1.70%	Positive
	1:15pm	French Consumer Spending m/m	-0.80%	-0.10%	Negative
	3:30pm	CPI Flash Estimate y/y	0.70%	0.70%	Neutral
		Unemployment Rate	12.00%	12.00%	Neutral

**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 above 104-104.05	104.50-104.80	103.55

**Overview** – Last week, GBP-INR had a ranged bound trade after hitting a 104.31 settled at 103.58. On the Other hand, pound retreated from its previous highs closed at 1.661 after Bank of England Monetary Policy Committee voted for no change in interest rates amid expectations of low inflation in the UK.

**From the technical aspect** – Currently, GBP-INR trading under the consolidation with the support of 103.70 and resistance 104.98 RSI 14 and 9 SMA is trading on the verge of bearish crossover. This week, we could expect some strength in the GBP-INR unless pair breaks below the 103.60. This week Second Estimate GDP and BOE Gov Carney Speaks BOE may provide a valid direction to the pound.

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

- U.K. consumer price inflation accelerated at a rate of 1.9% last month, down from 2.0% in December. Analysts had expected consumer price inflation to remain unchanged last month.
- Bank of England MPC voted 9-0 for no change in interest rates and described price pressures to remain subdued until demand increases, in its minutes of meeting held Feb 19.
- U.K. retail sales fell to -1.5%, from 2.5% in the preceding month whose figure was revised down from 2.6%.
- U.K. Public Sector Net Borrowing fell to -6.4B, from 9.0B in the preceding quarter whose figure was revised down from 10.4B.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
25.02.14	25th-28th	Nationwide HPI m/m	0.60%	0.70%	Negative
	3:00pm	BBA Mortgage Approvals	47.9K	46.5K	Positive
	4:30pm	CBI Realized Sales	15.00	14.00	Positive
26.02.14	2:55pm	MPC Member Broadbent Speaks	-	-	-
	3:00pm	Second Estimate GDP q/q	0.70%	0.70%	Neutral
		Prelim Business Investment q/q	2.60%	2.00%	Positive
28.02.14	9:00pm	BOE Gov Carney Speaks	-	-	-

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



## CURRENCY – JPY-INR (MARCH)



## TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell on rise 61.80-61.75	61.50-60.90	62.45

**Overview** –JPY-INR drifted lower towards 60.50 and settled at 60.63with the drop of 0.59%. Similarly, Japanese yen weakened against the dollar after the Bank of Japan decided to double part of a growth lending program at its monthly policy meeting.

**From the technical aspect** – On the weekly chart, a long bearish candle stick with the crucial support 60.90 is indicating correction may continue in days to come. This week, Tokyo Core CPI and China Manufacturing PMI may provide a valid direction to the Yen. The short term trend is expected to bearish unless pair breaks and sustain above 62.45 levels.

## JAPAN &amp; China Major Economic Data &amp; Events Update

- Japan's gross domestic product reading for fourth quarter of last year, rose by 0.3% unchanged from previous reading in Q3, while analysts' estimate was 0.7%.
- The drop in the yen came after the BoJ decided to double part of a growth lending program and said individual banks could borrow twice as much as previously under a second facility.
- The Bank of Japan decided to double part of a growth lending program at its monthly policy meeting, and said individual banks could borrow twice as much as previously under a second facility, in an attempt to boost the effectiveness of its monetary stimulus program.
- China's HSBC manufacturing index fell to a seven month low of 48.3 this month, down from 49.5 in January.

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

Date	Currency	Time	Economic Indicators	Forecast	Previous	Possible Impact
28.02.14	5:00am	JPY	Household Spending y/y	0.50%	0.70%	Negative
		JPY	Tokyo Core CPI y/y	0.80%	0.70%	Positive
	5:20am	JPY	Prelim Industrial Production m/m	3.10%	0.90%	Positive
		JPY	Retail Sales y/y	3.90%	2.50%	Positive
01.02.14	6:30am	CNY	Manufacturing PMI	50.20	50.50	Negative

**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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