



Forex Update:

After hitting a high of 63.13 dollar moved lower against the Euro and Rupee and settled at 62.87. The bullish tone reinforced after the FOMC minutes which reflected the possibility that the Federal Reserve could take action to begin tapering stimulus in the coming meetings while a bullish rally in to the Euro and suspected intervention by RBI supported the Rupee. The euro ended with gain of 0.43% at 1.3549 after the German business confidence which increased to its highest level in over one and a half years. The Japanese yen was the biggest loser against the all counterpart as it fell to its lowest level in months at 101.32, gave up 1.22% after the Bank of Japan unanimously kept its interest rate at 0.10% as expected and said the domestic economy continues to recover moderately, though the global outlook remains uncertain. British pound remained higher on the continual flow of UK economic data releases.

Succinct Summation of Previous Week:

Positive:

- U.S. weekly initial jobless benefits in the week ending November 15 declined by 21,000 to 32300.
- U.S. retail sales rose to 0.4% in October, core sales up 0.2%.
- 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.
- German economic sentiment rose by 1.8 points to hit 54.6 in November from October’s reading of 52.8.
- India's foreign exchange reserves including gold and Special Drawing Rights rose by \$1.459 billion to \$283.572 billion while foreign currency assets were up by \$1.465 billion to \$255.904 billion in week to Nov 15.

Negative:

- The Bank of Japan made no changes to its aggressive monetary easing policy in a widely expected decision.
- Index for China clocked in at 50.4, below a forecast of 50.8, and easing from 50.9 for the final in October.
- Federal Reserve officials indicated at the bank's October 29-30 policy meeting that they could decide to start scaling back the asset purchases at one of its next few meetings provided this was warranted by economic growth.
- Spanish trade balance fell to -2.59B, from -1.80B in the preceding month.

Next Week Important Events & Data:

- 27-Nov-13 –U.K. Second Estimate GDP.
- 29-Nov-13 – India GDP & Government Finances.

Previous Week % change in currency Market (14th Nov – 22nd Nov 2013)

Currency (MCX-SX)	Open	High	Low	Close	% change
USD-INR	63.25	63.25	61.96	62.95	-0.89
GBP-INR	101.50	102.20	99.84	101.92	0.30
EUR-INR	85.15	85.16	83.82	85.08	-0.20
JPY –INR	62.99	62.99	62.09	62.17	-2.19



CURRENCY – USD-INR (DEC)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 63.50-63.45	62.80-62.40	63.85
And; Or		
Buy above 63.90	64.40-64.76	63.60.

Overview: The USD-INR moved lower and settled at 63.44 drop by 0.89%. The bearish ton reinforced after the FOMC minutes which reflected the possibility that the Federal Reserve could take action to begin tapering stimulus in the coming meetings. From the Technical aspects, Weekly chart showing a long legged doji candle stick which showing for the bears looming selling pressure on the higher level. This week, trend expected to be indecisive and we may see both side moves during the week. Pair will find the crucial support 62.90, sustain trade below this 62.43-61.80 may take place in the market.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
25.11.13	8:30pm	Pending Home Sales m/m	2.20%	-5.60%	Positive
26.11.13	7:00pm	Building Permits	0.94M	-	-
	8:30pm	CB Consumer Confidence	72.20	71.20	Positive
27.11.13	7:00pm	Core Durable Goods Orders m/m	0.50%	-0.20%	Positive
		Unemployment Claims	331K	323K	Negative

Domestic -

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
29.11.13	Tentative	GDP (y/y chg)	--	4.40%	-
29.11.13	Tentative	Government Finances	--	76.00%	-
	Tentative	-Fiscal deficit (pct of Budget estimate)			-
29.11.13	Tentative	CPI inflation-Industrial Workers	--	10.70%	-

Impact of Main Event & Data in the Week –

This week, India GDP and Government Finances data are scheduled on Friday which will decide the trend of USD-INR. A higher than growth of 4.40% may bring selling on the pair. On Friday, The Reserve Bank of India extended one month the concessional Forex swap window through which banks can raise capital overseas if such loans have been approved by Nov 30 which may bring some correction in start of the week.

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



CURRENCY –EUR-INR (DEC)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy 85.23-85.20	86-86.50	84.70.
And; Or		
Sell below 84.20	83.40-83.15	84.65.

Overview– EUR-INR consolidated in between the range of 84.56 – 85.80 in the week, after hitting a low of 84.56 settled near to week high 84.79. The weakness in the Japanese Yen against the major counterpart weighted on the upside move. Looking to the above chart we could expect a sharp bullish move above the 86 ranges, which is coincide with triangle breakout. Pair will find the immediate support at 85.40, sustain trade below only next support level could be seen till 84.59-84.30 which could provide an opportunity to go long side.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
27.11.13	2:30pm	GfK German Consumer Climate	7.10	7.00	Positive
	Tentative	German 10-y Bond Auction	-	1.71 1.7	-
28.11.13	All Day	German Prelim CPI m/m	0.10%	-0.20%	Positive
	2:25pm	German Unemployment Change	0K	2K	Positive
	Tentative	Spanish HPI q/q	-	-2.40%	-
29.11.13	12:30pm	German Retail Sales m/m	0.50%	-0.60%	Positive
	1:15pm	French Consumer Spending m/m	0.30%	-0.10%	Positive
	3:30pm	CPI Flash Estimate y/y	0.80%	0.70%	Positive
		Unemployment Rate	12.20%	12.20%	Neutral

Impact of Important Economic Events & Data in the Week –

The economic data from Euro zone likely to start from Wednesday with GfK German Consumer Climate which expected to bring positive sentiment. On the same day a Tentative German 10-y Bond Auction may have volatile impact on it. Thursday will come with German Unemployment Change and Prelim CPI which expected to add again bullish sentiment. At the end of the day German Retail Sales, French Consumer Spending, CPI Flash Estimate and Unemployment Rate may extend positive rally for the Currency.

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



CURRENCY – GBP-INR (DEC)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 102.70-102.75	102-101.50	103.30
And; Or		
Buy above 103.30	103.80-104.50	102.60.

Overview – The pound extended its recent bullish trend, settled 102.75, and gained about 0.30%. On the Weekly chart, Pair formed a shooting start candle stick after more than seven week bullish rally signaling for profit booking or trend reversal may take place in the market. Next week bullish rally could be expected only above 103.15 which coincide with 50% Fibonacci retracement level. Or else, pair may take short time correction at this point till the immediate support 101.50-100.95.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
26.11.13	26th-29th	Nationwide HPI m/m	0.60%	1.00%	Negative
	3:30pm	Inflation Report Hearings	-	-	-
27.11.13	3:00pm	Second Estimate GDP q/q	0.80%	0.80%	Neutral
		Prelim Business Investment q/q	2.30%	-2.70%	Positive
	4:30pm	CBI Realized Sales	12.00	2.00	Positive
28.11.13	4:00pm	BOE Gov Carney Speaks	-	-	-
		BOE Financial Stability Report	-	-	-
29.11.13	3:00pm	Net Lending to Individuals m/m	2.1B	1.9B	Positive

Impact of Important Economic Events & Data in the Week –

This week U.K. will have very few economic event and data series, which will start from the Tuesday with the Inflation Report Hearings which expected to bring volatility for the GBP. On the same day foreseen Nationwide HPI may bring correction for it. On Wednesday Second Estimate GDP and Prelim Business Investment may bring bullish trend for the currency. On Thursday important one BOE Gov Carney Speaks and BOE Financial Stability Report may bring significant move for the Pound. At the end of the week Net Lending to Individuals m/m may add again bullish sentiment for the pound.

All the above data is indicating that GBP-INR should trade on a Consolidation mode during the week.



CURRENCY – JPY-INR (DEC)



TRADING STRATEGY

(In Rs.)	Target	SL
Buy above 64.50	64.90-65.50	63.50
And; Or		
Sell 63.70-63.65	62.80-62.45.	64.50.

Overview – JPY-INR drop by 2.19% and settled near to week low at 62.60. As expected pair hit our downside Target 62.50, 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 after attempted a Triangle breakout in the previous week USD-JPY trading at 101.24 which may put the selling pressure in the JPY-INR. Hence, traders can stay short side and sell on the every rise till 63.80 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
26.11.13	5:20am	Monetary Policy Meeting Minutes	-	-	-
28.11.13	5:20am	Retail Sales y/y	2.20%	3.00%	Negative
29.11.13	5:00am	Household Spending y/y	1.20%	3.70%	Negative
		Tokyo Core CPI y/y	0.40%	0.30%	Positive
	5:20am	Prelim Industrial Production m/m	2.10%	1.50%	Positive

Impact of Important Economic Events & Data in the Week –

This week, Japanese economic data are to be schedule from the Tuesday with Monetary policy meeting minutes which may have strong impact on it. last week, The Japanese yen was the biggest loser against the all counterpart as it fell to its lowest level in months at 101.32, drop gave up 1.22% after the Bank of Japan unanimously kept its interest rate at 0.10% as expected and said the domestic economy continues to recover moderately, though the global outlook remains uncertain. On Thursday foreseen Retail Sales data may bring correction for the Yen. While Tokyo Core CPI and Prelim Industrial Production data are indicating for the positive move for the Yen.

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

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