



Previous Week % Change in Local Market (Future)

Currency	Open	High	Low	Close	Pre. Close	% change
USD-INR	61.70	62.81	61.50	62.71	61.63	1.75
GBP-INR	101.30	103.94	101.03	103.92	101.26	2.63
EUR-INR	83.60	86.22	83.31	85.82	83.82	2.39
JPY –INR	59.35	61.52	58.78	61.26	59.05	3.74

Previous Week Change in CME Market

Currency	Open	High	Low	Close	Pre. Close	% change
Dollar Index	81.19	81.39	80.15	80.48	81.18	-0.86
EUR/USD	1.3528	1.3738	1.3517	1.3676	1.3527	1.10
GBP/USD	1.6412	1.6665	1.6397	1.6498	1.6411	0.53
USD/JPY	104.07	104.84	101.99	102.25	104.27	-1.94

Previous Week Change in Other Market

Currency	Open	High	Low	Close	Pre. Close	% change
DGXCINR	61.80	62.85	61.49	62.76	61.80	1.55

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

	Week Jan 17 <sup>th</sup>	Week Jan 10 <sup>d</sup>	Week	End March 2013	Year
Total Reserves	292.081	293.286	-1.205	0.035	-3.590
Foreign Assets *	265.934	267.143	-1.209	6.208	4.305
Gold	19.724	19.724	-	-5.967	-7.495
SDRs	4.428	4.425	0.002	0.100	-0.007
Reserve Position In IMF**	1.994	1.993	0.001	-0.306	-0.393

\*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 (FEB)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 63.35-63.30	62.50-61.80	63.75 (STRICT)
And; Or		
Buy above 63.80	64.40-64.80	63.40

**Overview:** The local currency slides near to nine week low at 62.81, gave up 1.75% against the dollar last week as a negative sentiment in to the local and global market ahead of Federal Reserve's and RBI policy meet next week prompted an aggressive demand for Greenback.

**From technical aspects** - A long bullish candle stick has been witnessed on the weekly chart while USD-INR trading on the verge of consolidation breakout (63.50 level). This week, FOMC meeting (29<sup>th</sup>-30<sup>th</sup> Jan) and Reserve bank of India policy (28<sup>th</sup>) will provide direction for the INR. We expect that pair may take some correction from 63.20-63.30 level in days to come. On the opposite side, a bullish move could expect **only sustain trade above 63.50 level towards upside Target 63.85-64.50.**

Domestic Major Economic Data & Events Update

- Talk emerged Congress party chief Sonia Gandhi has asked the government to cut the import duty on gold and to relax some of the norms restricting import of gold, which would impact the country's CAD.
- Iran's oil exports have picked up modestly in January for the third consecutive month, according to sources who track tanker movements, adding to signs that the easing of sanctions pressure on Tehran is helping its oil exports to recover.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
28.01.14	-	Third Quarter Review of Monetary Policy 2013-14			
31.01.14	-	Government Finances (APR-DEC)			
	-	-Fiscal deficit (pct of Budget estimate)			
31.01.14	-	CPI inflation- Industrial Workers (DEC)			

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



## CURRENCY – DOLLAR INDEX



## TRADING RANGE FOR THE WEEK:

**Overview**– Last week, dollar settled lower to 0.86% at 80.48 against the other major currencies. The greenback came under broad selling pressure after the weekly initial jobless claims rose in line with expectations, but the number of continuing jobless claims remained above the three million mark for the second successive week.

**From Technical Aspects** – On the weekly chart, U.S dollar index remained under the consolidation pattern and formed a bearish engulfing pattern. The momentum indicator RSI (14) and 9 SMA is trading on the verge of negative cross over. This week, FOMC meeting decision (29-30 Jan) will provide a valid direction for the Greenback. Looking to the above technical factors we expect dollar index could take correction till the support of 79.68 (from 81.30). A bullish move could arise only above 81.50 levels towards 82 and above.

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

- Unemployment benefits for the week ended Jan 17 fell to 326,000 compared to analysts' estimates of 326,000 and 325,000 in the previous week.
- The U.S. manufacturing PMI declined to 53.7 this month from a final reading of 55.0 in December. Analysts had expected the index to hold steady.
- U.S. factory output fell to a three-month low in January, due to disruption from unseasonable cold weather..

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
27.01.14	8:30pm	New Home Sales	457K	464K	Negative
28.01.14	7:00pm	Core Durable Goods Orders m/m	0.70%	1.20%	Negative
	8:30pm	CB Consumer Confidence	78.1	78.1	Neutral
30.01.14	12:30am	FOMC Statement	-	-	-
		Federal Funds Rate	<0.25%	<0.25%	Neutral
	7:00pm	Advance GDP q/q	3.20%	4.10%	Negative
		Unemployment Claims	331K	326K	Negative
	8:30pm	Pending Home Sales m/m	-0.10%	0.20%	Negative

**Outlook** - Based on above economic data, a volatile trend could expect for the U.S. dollar.



## CURRENCY –EUR-INR (FEB)



**TRADING RANGE FOR THE WEEK: 86.60-85.10.**

**Overview**– Last week, EUR-INR saw a pullback from the low of 83.77 to 86.60 levels, settled with the gain of 2.39%. As expected failed to meet our downside Targets. In the same way EUR/USD bounced back above the key 1.36 level, gained 1.10% after upbeat Euro zone PMI data on Thursday.

**From technical aspects** – A long bullish candle stick on the above weekly chart is presenting for the strong demand of the Euro. A probability for the short term correction is seen in beginning of the week, as pair didn't break the upper trend line resistance of 86.70-86.90 level. Significant one FOMC meeting will provide further trend for the EUR-INR.

## Europe Major Economic Data &amp; Events Update

- The Euro zone services PMI advanced to a four-month high of 51.9 from 51.0 in December.
- Manufacturing activity in Germany expanded at the fastest pace since May 2011 this month. Germany's manufacturing PMI rose to 56.3 in January from a final reading of 54.3 in December.
- Manufacturing PMI inched up to 53.9 this month from a final reading of 52.7 in December.
- Euro zone current account recorded a surplus of EUR23.5 billion in November, widening from a surplus of EUR22.2 billion in October.
- Spanish unemployment rate rose to an annual rate of 26.03%, from 25.98% in the preceding month.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
27.01.14	2:30pm	German Ifo Business Climate	110.2	109.5	Positive
	All Day	Euro group Meetings	-	-	-
	11:30pm	German Buba President Weidmann Speaks	-	-	-
28.01.14	Tentative	German Constitutional Court Ruling	-	-	-
29.01.14	12:30pm	GfK German Consumer Climate	7.8	7.6	Positive
	Tentative	German 10-y Bond Auction	-	1.69 1.7	-
30.01.14	All Day	German Prelim CPI m/m	-0.40%	0.40%	Negative
	1:30pm	Spanish Flash GDP q/q	0.30%	0.10%	Positive
	2:25pm	German Unemployment Change	-5K	-15K	Positive
31.01.14	12:30pm	German Retail Sales m/m	0.20%	1.50%	Negative

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



## CURRENCY – GBP-INR (FEB)



## TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 103.90-104.	103.50-103.05	104.50.

**Overview** – Last week, GBP-INR pair saw bullish rally towards 103.92, settled with the gain of 2.63%. As expected remained positive and hit both upside Target 101-101.60. In the same way after testing GBP/USD hit 29 month high of 1.6632 settled at 1.6498.

**From the technical aspect** – On the weekly chart GBP-INR forming a wage pattern with the upper trend line resistance of 105.36. This week, GBP-INR is appeared to being with negative opening after the British Bankers' Association said U.K. mortgage approvals rose by GBP46, 500 in December, less than the expected 47,200 increase. Further bearish move till 106-106.60 could expect only above 105.40.

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

- Number of people claiming jobless benefits fell by 24,000 in December, compared to expectations for a decline of 35,00.
- Minutes of the Bank of England's January meeting said the unemployment rate will hit the 7% threshold "materially earlier" than forecast, but reiterated that policymakers saw no immediate need to raise rates even if the threshold is reached in the near future.
- Rate of unemployment in the U.K. fell to 7.1% in the three months to November, to stand just above the 7% threshold at which the Bank of England has said it would consider hiking interest rates.

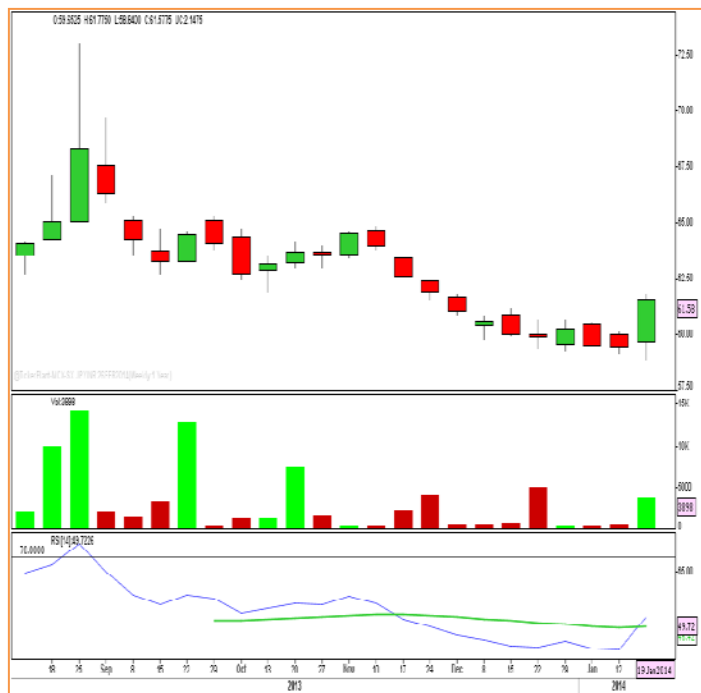
## Major Economic Data &amp; Events Schedule (For Week) will Impact - GBPINR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
28.01.14	3:00pm	Prelim GDP q/q	0.80%	0.80%	Neutral
29.01.14	12:30pm	Nationwide HPI m/m	0.70%	1.40%	Negative
	5:45pm	BOE Gov Carney Speaks	-	-	-
30.01.14	3:00pm	Net Lending to Individuals m/m	1.9B	1.5B	Positive
	4:30pm	CBI Realized Sales	28.00	34.00	Negative

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



## CURRENCY – JPY-INR (FEB)



## TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy around 60.84-60.80	61.80-62.51	60.20.

**Overview** – Last week, JPY-INR was a star performer among the major counterpart, settled with the gain of 3.74% at 61.57. As expected, hit both upside Targets 59.10-59.60. In the same way, Japanese yen gain 1.94%, settled at 102.24 vs. previous week close of 104.27.

**From the technical aspect** –Above weekly chart is showing a bullish engulfing pattern. Currently pair trading under the abcd pattern. RSI 14 and 9 SMA is giving a bullish cross over. And we maintaining over bullish view on JPY-INR for this week also. And expected a GAP UP open on Monday. Hence, Buying on every dip till 60.80 could expect for this week.

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

- The BoJ voted unanimously to keep its policy target unchanged, but said there is "a high degree of uncertainty concerning Japan's economy," pointing to a slow pickup in emerging and other economies as a threat to sustained domestic growth.
- GDP in China for the fourth quarter slowed to 1.8% belying expectations of 2% and compared to 2.2% a quarter earlier while industrial production grew 9.7% below expectations 9.8% an compared to 10% a year earlier.
- Tokyo, Gov. Haruhiko Kuroda's board maintained to its decision to broaden the monetary base by an annual 60 trillion to 70 trillion yen (\$671 billion), Bloomberg News reported.

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

Date	Currency	Time	Economic Indicators	Forecast	Previous	Possible Impact
27.01.14	5:20am	JPY	Monetary Policy Meeting Minutes	-	-	-
		JPY	Trade Balance	-1.33T	-1.35T	Negative
30.01.14	5:20am	JPY	Retail Sales y/y	3.90%	4.10%	Negative
	7:15am	CNY	HSBC Final Manufacturing PMI	49.6	49.6	Positive
31.01.14	5:00am	JPY	Household Spending y/y	1.30%	0.20%	Positive
		JPY	Tokyo Core CPI y/y	0.70%	0.70%	Neutral
	5:20am	JPY	Prelim Industrial Production m/m	1.50%	-0.10%	Positive
01.02.14	6:30am	CNY	Manufacturing PMI	-	51	-
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.

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