



Previous Week % Change in Local Market (Future)

Currency	Open	High	Low	Close	Pre. Close	% change
USD-INR	62.43	62.59	62.20	62.33	62.63	-0.48
GBP-INR	102.12	102.94	101.70	102.85	102.34	0.50
EUR-INR	85.40	86.19	85.14	86.11	85.52	0.69
JPY –INR	60.00	60.65	59.37	59.53	59.99	-0.77

Previous Week Change in CME Market

Currency	Open	High	Low	Close	Pre. Close	% change
Dollar Index	80.5340	80.6170	79.6860	80.3380	80.5540	-0.27
EUR/USD	1.3776	1.38935	1.36550	1.3779	1.3682	0.71
GBP/USD	1.63292	1.65775	1.63222	1.64755	1.63275	0.91
USD/JPY	104.0310	105.183	103.77	105.1540	104.05	1.06

Previous Week Change in Other Market

Currency	Open	High	Low	Close	Pre. Close	% change
DGCX INR	62.11	62.56	61.55	62.38	62.11	0.43
CNYINR	10.2114	10.2375	10.1671	10.2029	10.2013	0.02

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

	Week Dec 20 th	Week Dec 13 rd	Week	End March 2013	Year
Total Reserves	295.503	295.516	-0.012	3.457	-1.035
Foreign Assets *	268.469	268.564	-0.094	8.743	6.519
Gold	20.603	20.603	--	-5.088	-7.200
SDRs	4.431	4.440	-0.009	0.103	0.002
Reserve Position In IMF**	1.999	1.908	-0.0912	-0.301	-0.334

*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
Buy above 62.62	62.98-64.15	62.33.
And; Or		
Sell 62.40-62.45	62.15-61.95	62.61.

Overview: Due to the Christmas holiday last week, USD-INR saw a quite movement. Volume and volatility were remained dismal.

From technical aspects - Weekly chart is showing the two indecisive candle stick with the support 61.95 and resistance 62.62. The momentum oscillator RSI is trading between 70-55 range. USD-INR is still in a consolidation zone unless it breaks crucial support and massive resistance level while the New Year holiday mood may provide again sideline sentiment.

Domestic Major Economic Data & Events Update

- Foreign portfolio investors in India would be subject to the same tax treatment as foreign institutional investors, the country's market regulator clarified on Tuesday.
- The Reserve Bank of India has formed a committee under Executive Director Deepak Mohanty to review the current system of data collection and the feasibility of data production within the central bank to reduce the burden on reporting entities.

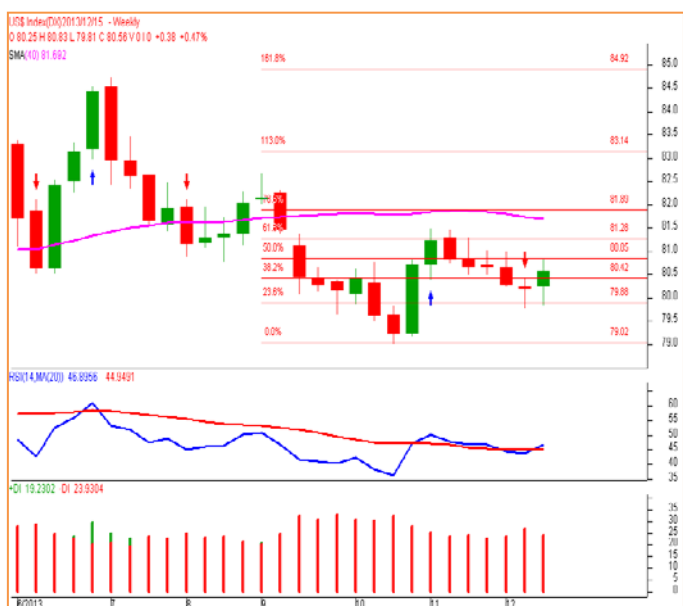
Major Economic Data & Events Schedule (For Week) From India that will Impact USD-INR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
27.12.13	Tentative	IIP core (y/y chg) (Nov)	-	--	-0.60%
31.12.13	Tentative	Government Finances - APR -NOV	-	--	84.40%
	Tentative	Fiscal deficit (pct of Budget estimate)	-		
31.12.13	Tentative	CPI inflation (NOV)	-	--	11.06%

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– The dollar index took small correction last week, settled at 80.33 decreased by 0.23%, as the rise in risk appetite in the global markets led to the decline in demand for green back. While the decline in US unemployment claims cushioned sharp downside in the dollar.

From Technical Aspects - This week we could expect momentum negative rally in the dollar on the back of stronger Euro. Trading appeared to be winding down ahead of the New Year holidays. On the higher side Pair will find the massive resistance 80.85 sustain trade above next level is seen at 81.27-81.50. Support level is seen at 79.65 below it currency expected to test 79.53.

U.S. Major Economic Data & Events Update

- U.S. new home sales fell by 2.1% to a seasonally adjusted 464,000 units last months, compared to expectations for a decline to 445,000. New home sales for October rose by 474,000 units.
- U.S. personal spending rose 0.5% last month, matching expectations. Personal spending for October was revised up to a 0.4% gain from a previously reported increase of 0.3%.
- U.S. weekly initial jobless benefits in the December 21 declined by 42,000 to a seasonally adjusted 338,000.

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

ate	Time	Economic Indicators	Forecast	Previous	Possible Impact
30.12.13	8:30pm	Pending Home Sales m/m	1.10%	-0.60%	Positive
31.12.13	7:30pm	S&P/CS Composite-20 HPI y/y	13.40%	13.30%	Positive
	8:15pm	Chicago PMI	61.30	63.00	Negative
	8:30pm	CB Consumer Confidence	76.50	70.40	Positive
01.01.14	All Day	Bank Holiday	-	-	-
02.01.14	7:00pm	Unemployment Claims	334K	338K	Positive
	7:30pm	Final Manufacturing PMI	54.40	54.40	Neutral
	8:30pm	ISM Manufacturing PMI	56.80	57.30	Negative
		Construction Spending m/m	0.70%	0.80%	Negative
		ISM Manufacturing Prices	53.00	52.50	Positive

Outlook - Based on above economic data along with Christmas and New Year holidays, we could expect a neutral trend for the dollar.



CURRENCY –EUR-INR (JAN)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy around 85.80	86.26-86.50-86.75	85.39

Overview– The euro was a best performer against the four major counterparts last week, and gained more than 0.50%. Similarly EUR/USD almost hit new 2-year highs above \$1.3893, after the European Central Bank Governing Council member Jens Weidmann warned against keeping interest rates low and showed his support for higher interest rates.

From technical aspects – On the above Weekly chart EUR-INR trading an upper range of long run consolidation zone with the resistance 86.30. The pair failed to test our last week predicted level 84.25, bounced back from the low of 84.53. A long bullish candle stick and continued bullish trend in the EUR/USD may extend its recent bullish rally in the coming days.

Europe Major Economic Data & Events Update

- European Central Bank Governing Council member Jens Weidmann said earlier that keeping interest rates low may endanger political reforms.
- German Import Price Index rose to a seasonally adjusted 0.1%, from -0.7% in the preceding quarter.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
30.12.13	2:40pm	Retail PMI	-	48.00	-
31.12.13	All Day	German Bank Holiday	-	-	-
01.01.14	All Day	French Bank Holiday	-	-	-
	All Day	German Bank Holiday	-	-	-
	All Day	Italian Bank Holiday	-	-	-
02.01.14	1:45pm	Spanish Manufacturing PMI	49.90	48.60	Positive
	2:15pm	Italian Manufacturing PMI	51.80	51.40	Positive
	2:30pm	Final Manufacturing PMI	52.70	52.70	Neutral
03.01.14	1:30pm	Spanish Unemployment Change	-	-2.5K	-
	2:30pm	M3 Money Supply y/y	1.50%	1.40%	Positive
		Private Loans y/y	-1.90%	-2.10%	Positive
	3:30pm	Italian Prelim CPI m/m	0.30%	-0.40%	Positive

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



CURRENCY – GBP-INR (JAN)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy above 103.10	103.50-103.85.	102.70.

Overview – After hitting the first downside target of 101.20, GBP-INR took a big move last week. Pair gained more than 0.50% and settled at 102.85. Similarly GBP/USD went above 1.6577 level supported by a speculation that the BOE would hike the interest rate sooner than expected on the back of strengthening economy.

From the technical aspect – On above chart, after witnessing the two week consolidation, GBP-INR broke the median line of raff regression channel line. This week, GBP-INR is appeared to test 103.80-104.65, if break and sustain above 103.15. Or else, downside level is being expected till 102.50-101.05.

U.K. Major Economic Data & Events Update

- U.K. number of new mortgages approved rose to 45,000 last month from October's revised total of 43,300. Analysts had expected the number of new mortgages approved to rise to 44,500 in November.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
30.12.13	3:00pm	Housing Equity Withdrawal q/q	-7.2B	-15.4B	Positive
31.12.13	31th-3rd	Nationwide HPI m/m	0.80%	0.60%	Positive
01.01.14	All Day	Bank Holiday	-	-	-
02.01.14	3:00pm	Manufacturing PMI	58.30	58.40	Negative
03.01.14	3:00pm	Construction PMI	62.30	62.60	Negative
		BOE Credit Conditions Survey	-	-	-
		Net Lending to Individuals m/m	2.0B	1.7B	Positive
		M4 Money Supply m/m	0.30%	0.10%	Positive
		Mortgage Approvals	70K	68K	Positive

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



CURRENCY – JPY-INR (JAN)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell below 58.95	58.40-58.10	59.85.

Overview – JPY-INR extended its recent bearish trend this week drop to 0.77% in the last week as the Japanese yen which failed near to five year low 105.18 gave up 1.06% against the U.S. dollar, continue putting the pressure.

From the technical aspect – A strong bearish tone in to the JPY/USD may provide further downside move in the JPY-INR. An indecisive candle stick on the weekly chart is signalling volatility. Crucial support level is seen at 58.95, and a valid sell entry for this week could expect below this level.

JAPAN & China Major Economic Data & Events Update

- The People’s Bank of China pumped Rmb29bn (\$4.8bn) into the financial system via open-market operations on Tuesday morning. Although the injection was tiny relative to the country’s Rmb100tn banking market, it was an important gesture to coax wary lenders back into doing business with each other.
- Japanese Housing Starts rose to 14.1%, from 7.1% in the preceding quarter.
- Tokyo's core consumer price inflation, which excludes fresh food, rose at an annualized rate of 0.7% in December, in line with expectations, after a 0.6% rise the previous month.
- Japan's retail sales rose 4% in November, compared to a year earlier, above expectations for a 2.9% gain. October's retail sales rose 2.3%.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
31.12.13	All Day	Bank Holiday	-	-	-
01.01.14	All Day	Bank Holiday	-	-	-
	6:30am	Manufacturing PMI (China)	51.30	51.40	Negative
01.01.14	All Day	Bank Holiday	-	-	-
	7:15am	HSBC Final Manufacturing PMI (China)	50.50	50.50	Neutral
03.01.14	All Day	Bank Holiday	-	-	-
	6:30am	Non-Manufacturing PMI (China)	-	56.00	-

Outlook - The whole week holiday of Bank of Japan and some important data that are lineup from China may contribute consolidation in the JPY-INR.

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.3rd Floor Krishna Bhavan, 67 Nehru Road, Vile Parle (E), Mumbai – 400057

Tel. 022-42254800 Fax. 022-42254880

www.arihantcapital.com