



Monday, January 6th, 2014

CURRENCY ACTIVITY 02/01/2014

Currency Pairs	Closed	% Chg	Open Interest	% Chg	Total Trade Volume (Rs in Cr)	% Chg	No of Contracts Traded	% Chg
USDINR	62.55	-0.10	398,245	8.56	3,544.00	-8.15	724492	17.07
EURINR	85.35	-0.43	18,321	11.13	280.81	-20.44	32,815	-20.42
GBPINR	102.98	-0.55	17,461	-10.42	473.12	97.64	45,886	98.00
JPYINR	59.90	0.83	4,292	-3.94	95.89	18.12	15,947	16.42

CURRENCY UPDATE

- **USD-INR**- Dollar snapped its two day gain on Friday as inflows from foreign investors and suspected intervention by the Reserve Bank of India.
- **EUR** - Euro fell to a near two week low on Friday on robust economic data in the US and as some investors cut their long positions. After strong economic data in the US most investors began cutting their positions in the euro. EUR/USD was down 0.62% at 1.3586.
- **GBP**- The pound slipped lower on Friday, as demand for the risk-related sterling weakened despite positive U.K. economic reports released earlier in the day. GBP/USD was down 0.21% at 1.6415.
- **JPY**- The Yen rebounded from the five year low against the dollar as Japanese investors cut their long positions to repatriate funds ahead of Federal Reserve tapering its bond purchases starting this month. USD/JPY was up 0.05% at 104.38.

IMPORTANT NEWS ROUNDUP

- India's foreign exchange reserves including gold and Special Drawing Rights rose by \$204.9 million to \$295.708 billion while foreign currency assets were up by \$164.3 million to \$268.634 billion in week to Dec 27.
- U.K. Mortgage Approvals rose to a seasonally adjusted 71K, from 68K in the preceding month whose figure was revised up from 68K.
- U.K. Construction PMI fell to a seasonally adjusted 62.1, from 62.6 in the preceding month.
- Italian CPI rose to 0.2%, from -0.3% in the preceding month.



CURRENCY TO FOCUS – USD-INR (JAN)

Intraday USD-INR Trend : Consolidation



Overview: USD-INR pair held volatility on Friday, after hitting a high of 62.90 settled at 62.55. A bullish reversal came out after pair failed to break the previous swing high of 62.98. Now this will be massive resistance for further bullish move. On the daily chart, a shooting star candle stick may be indication for short time pull down. Any dip till 62.30 may provide an intraday buying opportunity.

(In Rs.)	Target	SL
Buy above 62.95	63.15-63.20	62.80
And; Or		
Sell 62.70-62.75	62.55-62.40	62.85.

FOREIGN CURRENCY AND TECHNICAL LEVELS

Symbol	Last Rate As on Friday.	% Chg	Currency Pairs	R1	R2	Pivot	S1	S2
DOLLAR INDEX	80.86	0.37	USDINR	62.723	62.907	62.7	62.533	62.527
EUR/USD	1.3586	-0.62	EURINR	85.730	86.110	85.5	85.140	84.930
GBP/USD	1.6415	-0.21	GBPINR	103.257	103.563	103.1	102.777	102.603
USD/JPY	104.83	-0.05	JPYINR	60.310	60.720	60.0	59.540	59.180

Major Economic Data and Events Schedule (For 06/01/2014)

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
All Day	EUR	Italian Bank Holiday	-	-	-
2:15pm	EUR	Italian Services PMI	48.90	47.20	Positive
2:30pm	EUR	Final Services PMI	51.20	51.00	Positive
3:00pm	EUR	Sentix Investor Confidence	9.70	8.00	Positive
	GBP	Services PMI	60.40	60.00	Positive
7:30pm	USD	Final Services PMI	56.00	56.00	Neutral
8:30pm	USD	ISM Non-Manufacturing PMI	54.60	53.90	Positive
	USD	Factory Orders m/m	1.80%	-90.00%	Positive

Impact - High Medium Low

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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