



Thursday, Dec 12<sup>th</sup>, 2013

CURRENCY ACTIVITY 11/12/2013

Currency Pairs	Closed	% Chg	Open Interest	% Chg	Total Trade Volume (Rs in Cr)	% Chg	No of Contracts Traded	% Chg
USDINR	61.47	0.25	409,360	-1.48	2,763.06	-27.97	448705	-28.11
EURINR	84.61	0.44	22,238	1.88	212.99	-26.43	25,148	-26.67
GBPINR	60.03	0.81	12,227	13.55	262.71	8.32	26,004	8.26
JPYINR	100.75	-0.17	4,709	-13.33	66.68	16.90	11,117	16.01

CURRENCY UPDATE

- **USD-INR** – The dollar traded higher near to one-week high on Wednesday despite of the monthly trade deficit which stood narrowed from the previous month as demand from the oil importers and negative trend in the local share market kept the upside sentiment.
- **EUR** - The euro received an additional advanced after European Union finance ministers moved closer to an agreement on a European banking union on Tuesday, a measure which is seen as key in fending off a repeat of the region's financial crisis. EUR/USD was up 0.05% at 1.3759.
- **GBP**- The pound gave up some gains on Wednesday against the dollar, but losses were limited amid renewed uncertainty over the timing of a reduction in the Federal Reserve's stimulus program. GBP/USD was down 0.28% at 1.6397.
- **JPY**- The yen some support on Wednesday against the dollar on ongoing uncertainty about whether or not the Federal Reserve will announce plans to scale back its \$85 billion in monthly bond purchases at its monetary policy meeting next week. USD/JPY was up 0.05% at 103.19.

IMPORTANT NEWS ROUNDUP

- French non-farm payrolls fell to a seasonally adjusted -0.1%, from -0.1% in the preceding quart.
- Trade deficit in November stood at \$9.22 billion compared with \$10.56 billion in October after gold shipments from overseas fell sharply. The deficit had previously narrowed to a two-and-a-half-year low in September.
- India Merchandise exports rose by 5.86 percent year-on-year in November to \$24.6 billion and Imports fell by 16.37 percent year-on-year to \$33.83 billion.



CURRENCY TO FOCUS – USD-INR (DEC)

Intraday USD-INR Trend : Consolidation



**Overview:** The USD-INR remained slightly bullish on Wednesday, after approaching to near one week high 61.61, settled at 61.47. For Thursday, we could expect some positive consolidation ahead of India IIP data which to be release later in the day. Forecast is at 1.20% vs. 2% in Sept.

**Resistance** - Immediate resistance at 61.45, sustain trade above this we could expect momentum upside level till 61.62-61.78.

**Support** - Immediate support is seen at 61.34 sustain trade below expected to test 61.12. Crucial support is at 60.98.

(In Rs.)	Target	SL
Buy 61.45	61.62-61.78	61.34.
And; Or		
Sell below 61.34	61.12	61.45.

FOREIGN CURRENCY AND TECHNICAL LEVELS

Symbol	Currency* At 8:45 AM.	% Chg	Currency Pairs	R1	R2	Pivot	S1	S2
DOLLAR INDEX	79.87	-0.03	USDINR	61.590	61.730	61.5	61.330	61.210
EUR/USD	1.3792	0.05	EURINR	84.783	84.967	84.6	84.403	84.207
GBP/USD	1.6367	-0.04	GBPINR	60.180	60.360	60.0	59.780	59.560
USD/JPY	102.50	0.09	JPYINR	101.097	101.473	100.9	100.527	100.333

Major Economic Data and Events Schedule (For 12/12/2013)

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
12:30am	USD	Federal Budget Balance	-142.6B	-91.6B	Negative
1:30pm	EUR	ECB President Draghi Speaks	-	-	-
2:30pm	EUR	ECB Monthly Bulletin	-	-	-
3:30pm	EUR	Industrial Production m/m	0.40%	-0.50%	Positive
7:00pm	USD	Core Retail Sales m/m	0.20%	0.20%	Neutral
	USD	Retail Sales m/m	0.60%	0.40%	Positive
	USD	Unemployment Claims	321K	298K	Negative

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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