



Friday, Dec 13rd, 2013

CURRENCY ACTIVITY 12/12/2013

Currency Pairs	Closed	% Chg	Open Interest	% Chg	Total Trade Volume (Rs in Cr)	% Chg	No of Contracts Traded	% Chg
USDINR	61.99	0.94	412,754	0.83	3,575.93	29.42	577949	28.80
EURINR	85.33	0.93	20,828	-6.34	230.24	8.10	27,016	7.43
GBPINR	101.62	0.96	12,353	1.03	268.59	2.24	26,505	1.93
JPYINR	60.33	0.58	4,021	-14.61	93.67	40.48	15,555	39.92

CURRENCY UPDATE

- **USD-INR** – Pair ended at near one-week high on Thursday as heavy buying by State Bank of India for defence related payments and caution before the release of India' industrial output amid fears of tapering of the US federal reserve tapering its stimulus measures.
- **EUR** - The euro slumped on Thursday after data revealed U.S. retail sales advanced more than expected in November, another sign for investors that the Federal Reserve is close to tapering its \$85 billion in monthly bond purchases, possibly next week.
- **GBP**- The pound remained moderately lower on Thursday, as investors were cautious ahead of the Federal Reserve's policy meeting next week, after mixed U.S. data fuelled fresh uncertainty over the nation's economic recovery.
- **JPY**- The dollar boost up against the yen on Thursday after U.S. retail sales figures beat expectations and sent investors taking up positions on the possibility that the Federal Reserve could announce plans to scale back its USD85 billion monthly asset-purchasing program as early as next week.

IMPORTANT NEWS ROUNDUP

- U.S. retail sales rose by a seasonally adjusted 0.7% in November, beating expectations for a 0.6% increase.
- U.S. initial jobless benefits in the week ending December 7 increased by 68,000 to a seasonally adjusted 368,000.
- India's industrial production contracted at -1.8% Vs 2% for the first time in four months in October in a sign that economic recovery remains fragile, government data showed on Thursday.



CURRENCY TO FOCUS – USD-INR (DEC)

Intraday USD-INR Trend : Consolidation



Overview: The USD-INR saw a bullish rally towards 62.07 high and settled with gain of 0.94% at 61.99. For Friday, we could expect some positive movement after the disappointed industrial growth of India data which contracted by 1.8% in October.

Resistance - Immediate resistance at 62.36, sustain trade above this we could expect momentum upside level till 62.50-62.72

Support - Immediate support is seen at 61.86 sustain trade below expected to test 61.55.

(In Rs.)	Target	SL
Buy 62.10-62.08	62.25-62.36	61.98
And; Or		
Sell below 61.86	61.55	61.95

FOREIGN CURRENCY AND TECHNICAL LEVELS

Symbol	Currency* At 8:45 AM.	% Chg	Currency Pairs	R1	R2	Pivot	S1	S2
DOLLAR INDEX	80.20	0.04	USDINR	62.357	62.423	62.3	62.247	62.203
EUR/USD	1.3750	-0.01	EURINR	85.737	85.833	85.6	85.527	85.413
GBP/USD	1.6349	0.00	GBPINR	60.337	60.493	60.2	60.087	59.993
USD/JPY	103.53	0.17	JPYINR	101.963	102.067	101.9	101.793	101.727

Major Economic Data and Events Schedule (For 13/12/2013)

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
10:00am	JPY	Revised Industrial Production m/m	0.50%	0.50%	Neutral
12:30pm	EUR	German WPI m/m	0.40%	-1.00%	Positive
3:30pm	EUR	Employment Change q/q	0.00%	-0.10%	Positive
6:00pm	GBP	MPC Member Dale Speaks	-	-	-
7:00pm	USD	PPI m/m	0.00%	-0.20%	Positive
	USD	Core PPI m/m	0.10%	0.20%	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.

Contact

SMS: 'Arihant' to 56677

Website

www.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

RCH-DCR-00