



Monday, Dec 16th, 2013

CURRENCY ACTIVITY 13/12/2013

Currency Pairs	Closed	% Chg	Open Interest	% Chg	Total Trade Volume (Rs in Cr)	% Chg	No of Contracts Traded	% Chg
USDINR	62.35	0.63	400,695	-2.92	2,838.85	-20.61	455185	-21.24
EURINR	85.53	0.26	21,319	2.36	264.00	14.66	30,883	14.31
GBPINR	101.49	-0.12	12,419	0.53	225.55	-16.02	22,168	-16.36
JPYINR	60.18	-0.25	4,432	10.22	88.78	-5.22	14,757	-5.13

CURRENCY UPDATE

- **USD-INR** – The dollar extended its recent bullish trend on Friday in cautious trade, ahead of the Federal Reserve's highly anticipated policy meeting next week.
- **EUR** - The euro took correction against the dollar on Friday as expectations continued to build that the Federal Reserve is ready to begin tapering its \$85 billion in monthly bond purchases, possibly next week, especially after U.S. wholesale pricing data met expectations.
- **GBP**- The pound remained near two-and-a-half week lows against the U.S. dollar on Friday, as growing expectations for the Federal Reserve to soon begin scaling back its stimulus program lent support to the greenback.
- **JPY**- The yen strengthen slightly against the dollar index on Friday despite growing expectations for the Federal Reserve to begin scaling back its \$85 billion monthly asset-purchasing program as early as next week.

IMPORTANT NEWS ROUNDUP

- Euro zone employment change remained unchanged at 0.0%, from -0.1% in the preceding month.
- India's foreign exchange reserves including gold and Special Drawing Rights rose by \$4.408 billion to \$295.709 billion in week to Dec 6.
- Foreign currency assets were up by \$5.019 billion to \$268.755 billion in week to Dec 6.
- U.S. PPI fell to a seasonally adjusted -0.1%, from -0.2% in the preceding month.



CURRENCY TO FOCUS – USD-INR (DEC)

Intraday USD-INR Trend : Consolidation



Overview: The USD-INR extended its recent bullish rally towards 62.4875 high and settled at 62.35 with the gain of 0.63%. Monday, we could expect small trading range in the pair ahead of WPI inflation data scheduled to release later in the day (Forecast range 6.5% - 7.50%).

Resistance - Immediate resistance at 62.62, sustain trade above this we could expect momentum upside level till 62.95.

Support - Immediate support is seen at 62.25 sustain trade below expected to test 62.10-61.95.

(In Rs.)	Target	SL
Buy 62.35	62.62	62.26
And; Or		
Sell below 62.24	62.10-62	62.36.

FOREIGN CURRENCY AND TECHNICAL LEVELS

Symbol	Currency*	% Chg	Currency Pairs	R1	R2	Pivot	S1	S2
DOLLAR INDEX	80.18	0.01	USDINR	62.503	62.627	62.4	62.233	62.087
EUR/USD	1.3742	-0.07	EURINR	85.717	85.883	85.6	85.427	85.303
GBP/USD	1.6301	-0.29	GBPINR	60.400	60.620	60.2	59.960	59.740
USD/JPY	103.20	-0.16	JPYINR	101.853	102.217	101.6	101.273	101.057

Major Economic Data and Events Schedule (For 16/12/2013)

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
1:30pm	EUR	French Flash Manufacturing PMI	49.10	48.40	Positive
	EUR	French Flash Services PMI	48.90	48.00	Positive
2:00pm	EUR	German Flash Manufacturing PMI	53.10	52.70	Positive
	EUR	German Flash Services PMI	55.20	55.70	Negative
2:30pm	EUR	Flash Manufacturing PMI	51.90	51.60	Positive
	EUR	Flash Services PMI	51.50	51.20	Positive
4:30pm	EUR	German Buba Monthly Report	-	-	-
7:00pm	USD	Empire State Manufacturing Index	5.10	-2.20	Positive
	USD	Revised Nonfarm Productivity q/q	2.90%	1.90%	Positive
7:30pm	EUR	ECB President Draghi Speaks	-	-	-
	USD	Flash Manufacturing PMI	54.90	54.70	Positive
7:45pm	USD	Industrial Production m/m	0.60%	-0.10%	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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