



Tuesday, Dec 17<sup>th</sup>, 2013

**CURRENCY ACTIVITY 16/12/2013**

Currency Pairs	Closed	% Chg	Open Interest	% Chg	Total Trade Volume (Rs in Cr)	% Chg	No of Contracts Traded	% Chg
<b>USDINR</b>	61.92	-0.81	421,097	5.09	3,580.92	26.14	26.50	421,097
<b>EURINR</b>	85.28	-0.35	24,025	12.69	362.53	37.32	37.27	24,025
<b>GBPINR</b>	60.11	-0.20	18,271	47.12	318.13	41.05	41.66	18,271
<b>JPYINR</b>	101.02	-0.57	5,199	17.31	106.81	20.31	19.70	5,199

**CURRENCY UPDATE**

- **USD-INR** – Dollar fell to intraday low helped by inflows in to the local share market ahead of the Reserve Bank of India monetary policy meanwhile a positive Euro against the dollar index supported the local currency.
- **EUR** - The Euro was able to hit session highs against the dollar on Monday following the release of encouraging data on euro zone private sector activity, but gains were held in check ahead of this week's Federal Reserve policy meeting.
- **GBP**-The pound remained slightly positive against the U.S. dollar on Monday, although investors remained cautious ahead of the Federal Reserve's highly anticipated policy meeting scheduled later in the week.
- **JPY**- The yen strengthen towards 102.63, after the BoJ Tankan survey that showed sentiment among large-manufacturers rose to 16 in the three months to December from 12. Meanwhile a survey by the Bank of Japan which showed major manufacturers is their most upbeat in six years supported the Yen.

**IMPORTANT NEWS ROUNDUP**

- The wholesale price index (WPI) climbed 7.52% in November from a year earlier, its quickest pace since September 2012, compared with 7 percent in October.
- Euro zone surplus widened to a EUR14.5 billion in October from a surplus of EUR12.4 billion in September.
- German manufacturing purchasing managers' index rose to 54.2 in December from a final reading of 52.7 in November.
- Euro zone manufacturing PMI rises to 31-month high of 52.7 in December.



CURRENCY TO FOCUS – USD-INR (DEC)

Intraday USD-INR Trend : Consolidation



**Overview:** On Monday, profit booking was seen in the USD-INR which settled at 61.92 drop by 0.81%. A stronger Euro and Negative dollar index helped in the momentum bearish sentiment. Today, pair may trade between the consolidation phase ahead of the RBI and FOMC meeting scheduled on Wednesday.

**Resistance** - Immediate resistance at 62.10, sustain trade above this we could expect momentum upside level till 62.35-62.48.

**Support** - Immediate support is seen at 61.78 sustain trade below expected to test 61.57.

(In Rs.)	Target	SL
Buy 61.90-61.92	62.10-62.32	61.78.
And; Or		
Sell below 61.78	61.57-61.40	61.90.

FOREIGN CURRENCY AND TECHNICAL LEVELS

Symbol	Currency* At 8.45 am	% Chg	Currency Pairs	R1	R2	Pivot	S1	S2
<b>DOLLAR INDEX</b>	80.07	0.00	<b>USDINR</b>	62.223	62.587	62.0	61.673	61.487
<b>EUR/USD</b>	1.3764	0.03	<b>EURINR</b>	85.630	86.030	85.4	85.010	84.790
<b>GBP/USD</b>	1.6311	0.09	<b>GBPINR</b>	60.520	60.970	60.3	59.840	59.610
<b>USD/JPY</b>	103.04	0.04	<b>JPYINR</b>	101.477	102.043	101.1	100.567	100.223

Major Economic Data and Events Schedule (For 17/12/2013)

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
3:00pm	GBP	CPI y/y	2.20%	2.20%	Neutral
	GBP	PPI Input m/m	-0.50%	-0.60%	Negative
3:30pm	EUR	German ZEW Economic Sentiment	55.30	54.60	Positive
	EUR	CPI y/y	0.90%	0.90%	Neutral
	EUR	Core CPI y/y	1.00%	0.80%	Positive
	EUR	ZEW Economic Sentiment	60.90	60.20	Positive
All Day	EUR	Eurogroup Meetings	-	-	-
4:30pm	GBP	CBI Industrial Order Expectations	12.00	11.00	Positive
7:00pm	USD	Core CPI m/m	0.10%	0.10%	Neutral
	USD	CPI m/m	0.10%	-0.10%	Positive
	USD	Current Account	-101B	-99B	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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