



Friday, Dec 20th, 2013

CURRENCY ACTIVITY 19/12/2013

Currency Pairs	Closed	% Chg	Open Interest	% Chg	Total Trade Volume (Rs in Cr)	% Chg	No of Contracts Traded	% Chg
USDINR	62.31	0.18	457,377	1.43	4,795.00	8.60	767631	8.02
EURINR	85.21	-0.31	19,782	-34.07	381.27	52.67	44,683	52.79
GBPINR	59.89	-0.93	15,915	-15.02	326.05	18.26	31,908	17.17
JPYINR	101.98	0.29	5,590	7.03	82.43	1.24	13,728	1.69

CURRENCY UPDATE

- **USD-INR** – Dollar had a positive open at over one week high on Thursday after the US Federal Reserve announced that it would begin tapering its monthly asset purchases amid importers demand which pressurized the Rupee.
- **EUR** - The euro showed small correction against the dollar index as euro zone's current account surplus widened unexpectedly in October to hit the highest level in six months.
- **GBP**- The pound remained slightly lower on Thursday after the Federal Reserve said Wednesday that it will start reducing monetary stimulus from next month, and after data showed that U.K. retail sales rose in line with expectations in November.
- **JPY**- Yen recovered by 0.29% during European trade after rising as high as 104.35 earlier, the highest level since October 2008.

IMPORTANT NEWS ROUNDUP

- Euro zone current account recorded a seasonally adjusted surplus of EUR21.8 billion in October, widening from a surplus of EUR14.9 billion in September, whose figure was revised up from a previously reported surplus of EUR13.7 billion..
- U.K. retail sales increased by 0.3% last month, matching forecasts. It was revised down to a 0.9% drop from a previously reported 0.7% drop.
- Spain Yields fall to lowest since September 2010 as Spain sells 10-year deb.



CURRENCY TO FOCUS – USD-INR (DEC)

Intraday USD-INR Trend : Positive



Overview: After a gap up opening on Thursday, USD-INR saw a consolidation around 62.35-62.40, closed at 62.31. On the above intraday chart, pair took support of short term trend line at 62.20. RSI 14 and 9 SMA are trading on the verge of negative cross over.

A bullish rally in to the dollar index against the all major counterpart and consolidation above the short term trend line is indicating again a positive rally towards immediate resistance 62.62. Or else below 62.18 bearish moves till 61.78 may take place during the day.

(In Rs.)	Target	SL
Buy 62.30	62.45-62.62	62.19.
And; Or		
Sell below 62.15	61.90-61.78	62.30.

FOREIGN CURRENCY AND TECHNICAL LEVELS

Symbol	Currency* At 8.45 am	% Chg	Currency Pairs	R1	R2	Pivot	S1	S2
DOLLAR INDEX	80.68	0.07	USDINR	62.600	62.890	62.3	62.010	61.710
EUR/USD	1.3643	-0.42	EURINR	85.483	85.707	85.3	85.043	84.827
GBP/USD	1.6366	-0.01	GBPINR	102.383	102.737	102.1	101.773	101.517
USD/JPY	104.33	0.10	JPYINR	60.107	60.313	60.0	59.777	59.653

Major Economic Data and Events Schedule (For 19/12/2013)

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
Tentative	JPY	Monetary Policy Statement	-	-	-
Tentative	JPY	BOJ Press Conference	-	-	-
11:30am	EUR	German PPI m/m	0.00%	-0.20%	Neutral
	EUR	GfK German Consumer Climate	7.40	7.40	Neutral
Day 2	EUR	EU Economic Summit	-	-	-
2:00pm	GBP	Current Account	-13.8B	-13.0B	Negative
	GBP	Final GDP q/q	0.80%	0.80%	Neutral
	GBP	Public Sector Net Borrowing	6.6B	6.4B	Positive
6:00pm	USD	Final GDP q/q	3.60%	3.60%	Neutral
Tentative	USD	Fed Chairman Nomination Vote			

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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