



Monday, Dec 23rd, 2013

CURRENCY ACTIVITY 20/12/2013

Currency Pairs	Closed	% Chg	Open Interest	% Chg	Total Trade Volume (Rs in Cr)	% Chg	No of Contracts Traded	% Chg
USDINR	62.22	-0.02	478,892	4.70	4,130.00	-13.87	661602	-13.81
EURINR	84.96	-0.04	19,995	1.08	288.82	-24.25	33,960	-24.00
GBPINR	101.64	-0.06	12,564	-21.06	320.17	-1.80	31,421	-1.53
JPYINR	59.61	0.03	5,899	5.53	55.37	-32.83	9,273	-32.45

CURRENCY UPDATE

- **USD-INR-** The dollar snapped its three day gain against the Rupee on Friday on foreign institutional investor inflows offsetting the effect of the US Federal Reserve tapering its stimulus measures by January.
- **EUR** - Euro extended recent bearish trend on Friday, event after a positive German consumer climate data, as demand for the greenback remained supported by the Federal Reserve's decision to begin tapering its stimulus program in January.
- **GBP-** The pound went lower during the European trade on Friday, after the release of mixed U.K. data and as recent news the Federal Reserve will begin tapering its stimulus program next month continued to support the greenback.
- **JPY-** Yen recovered by 0.29% against the dollar after rising as high as 104.35 earlier, the highest level since October 2008 and better-than-expected U.S. growth data enticed investors out of safe-haven dollar positions and into higher-yielding currencies and stocks.

IMPORTANT NEWS ROUNDUP

- Standard & Poor's cut the European Union's long-term credit ratings to 'AA+' from 'AAA' over concerns that E.U.'s financial profile has deteriorated while cohesion among E.U. members has lessened, though the euro shrugged off the news.
- Foreign currency assets were down by \$191.1 million to \$268.755 billion in week to Dec 13, Reserve Bank of India's Weekly Statistical Supplement showed Friday. Foreign exchange reserves were down \$192.8 million from a week ago. Reserves held in the form of gold were at \$20,603.1 million.
- U.S. gross domestic product expanded by 4.1% in the third quarter, well above consensus forecasts for 3.6% growth.



CURRENCY TO FOCUS – USD-INR (DEC)

Intraday USD-INR Trend : Consolidation



Overview: USD-INR saw a small correction on Friday, closed at 62.22. On the above intraday chart, pair took support of short term moving average and consolidated around 62.30 during the day.

Profit taking was seen in the Dollar index as a surprisingly strong U.S. economic growth rates sent investors ditched the greenback for risk-on asset classes such as stocks later in the session.

(In Rs.)	Target	SL
Sell 62.48.00	62.20-62.12	62.62.
And; Or		
Buy above 62.65	62.78.00	62.50.

FOREIGN CURRENCY AND TECHNICAL LEVELS

Symbol	Last Rate At on 20 th Dec.	% Chg	Currency Pairs	R1	R2	Pivot	S1	S2
DOLLAR INDEX	80.53	-0.11	USDINR	62.437	62.663	62.3	62.077	61.943
EUR/USD	1.3671	0.08	EURINR	85.230	85.530	85.0	84.690	84.450
GBP/USD	1.6323	-0.27	GBPINR	102.097	102.583	101.8	101.327	101.043
USD/JPY	104.06	-0.16	JPYINR	59.867	60.093	59.7	59.487	59.333

Major Economic Data and Events Schedule (For 23/12/2013)

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
All Day	JPY	Bank Holiday	-	-	-
	EUR	German Import Prices m/m	0.40%	-0.70%	Positive
6:00pm	USD	Core PCE Price Index m/m	0.10%	0.10%	Neutral
	USD	Personal Spending m/m	0.50%	0.30%	Positive
	USD	Personal Income m/m	0.40%	-0.10%	Positive
6:30pm	EUR	Belgian NBB Business Climate	-3.90	-4.30	Positive
7:25pm	USD	Revised UoM Consumer Sentiment	82.90	82.50	Positive
	USD	Revised UoM Inflation Expectations	-	3.00%	-

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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