



Previous Week % Change in Local Market (Future)

Currency	Open	High	Low	Close	Pre. Close	% change
USD-INR	62.35	62.59	61.38	62.22	62.35	-0.21
GBP-INR	101.25	102.47	100.67	101.64	101.49	0.15
EUR-INR	85.71	85.82	84.75	84.96	85.53	-0.67
JPY –INR	60.50	60.74	59.55	59.61	60.18	-0.95

Previous Week Change in CME Market

Currency	Open	High	Low	Close	Pre. Close	% change
Dollar Index	80.2150	80.8270	79.8100	80.5540	80.18	0.47
EUR/USD	1.3752	1.3811	1.3626	1.3682	1.3735	-0.39
GBP/USD	1.6299	1.6482	1.6215	1.6339	1.6293	0.28
USD/JPY	102.83	104.63	102.49	104.05	103.22	0.80

Previous Week Change in Other Market

Currency	Open	High	Low	Close	Pre. Close	% change
DGCX INR	62.31	62.75	61.72	62.11	62.31	-0.32
CNYINR	10.2433	10.3151	10.1494	10.2013	10.24	-0.38

Weekly Foreign exchange reserves, in billion US dollars (\$)

	Week Dec 13 rd	Week Dec 06 th	Week	End March 2013	Year
Total Reserves	295.516	295.709	-0.192	3.470	-1.115
Foreign Assets *	268.564	268.755	-0.191	8.838	6.444
Gold	20.603	20.603	--	-5.088	-7.200
SDRs	4.440	4.441	-0.001	0.113	0.004
Reserve Position In IMF**	1.908	1.908	-0.0005	-0.392	-0.364

*Foreign currency assets in US dollars include the effect of appreciation/depreciation of non-US currencies (such as euro, sterling, and yen) held in reserves. For details see current statistics section of RBI Bulletin.

** Reserve Position in International Monetary Fund, i.e. Reserve Tranche Position (RTP) which was shown as a memo item from May 23, 2003 to Mar 26, 2004 has been included in the reserves from the week ended Apr 2, 2004 in keeping with international best practice



CURRENCY – USD-INR (DEC)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy 61.90-61.95	62.30-62.50	61.75.
And; Or		
Sell below 61.70	61.57-61.40	62.10.

Overview: USD-INR saw a volatile trading last week as the decision by RBI and FOMC meeting were brought the both side movements.

From technical aspects - After hitting a low 61.85 USD-INR bounced back towards 62.59, settled at 62.22 with the loss of 0.21%. On a medium term perspective, USD-INR is still in an uptrend unless it breaks crucial support 61.05 on the downside, a level which has been tested around three times in October and second week of the December month and managed to trade above the level.

Domestic Major Economic Data & Events Update

- Reserve Bank of India) kept the repo rate its key lending rate unchanged at 7.75%, temporarily warding off fears of an immediate hike in consumer loans and home loan EMIs.
- The Government of India approved the enhancement of the bilateral currency swap arrangement between the Reserve Bank of India (RBI) and Bank of Japan from \$15 billion to \$50 billion,” the finance ministry said in a statement.
- 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.

Major Economic Data & Events Schedule (For Week) From U.S. that will Impact USD-INR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
26-12-13	5 :PM	FX reserve (\$mln)(chg on wk)	-	-	-

Outlook – Based on the Christmas and New Year holidays and lack of economic events during the week, we could expect a neutral to positive trend for the USD-INR.



CURRENCY – Dollar Index



TRADING RANGE FOR THE WEEK:

Overview– The dollar index extended its bullish rally towards 80.83, settled at 80.56 with gain of 0.47%. Favorable fundamental developments and the Fed’s decision to taper its monthly bond-buying boosted the greenback against all major counterparts.

From Technical Aspects - This week we could expect momentum positive rally in the dollar as trading appeared to be winding down ahead of the Christmas and New Year holidays. On the higher side Pair will find the massive resistance 80.85 sustain trade above next level is seen at 81.27-81.50. Support level is seen at 79.70 below it currency expected to test 79.53-79.00.

U.S. Major Economic Data & Events Update

- Federal Reserve left its key benchmark lending target, the fed funds rate, unchanged at 0.0-0.25%.
- Fed trimmed the amount of Treasury holdings and mortgage debt it buys from banks each month to \$75 billion from \$85 billion.
- U.S. initial jobless benefits in the week ending December 14 increased by 10,000 to a seasonally adjusted 379,000.
- U.S. gross domestic product expanded by 4.1% in the third quarter, well above consensus forecasts for 3.6% growth.

Major Economic Data & Events Schedule (For Week) From U.S. that will Impact USD-INR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact	
23-12-13	6:00pm	Core PCE Price Index m/m	0.10%	0.10%	Neutral	
		Personal Spending m/m	0.50%	0.30%	Positive	
24-12-13	7:25pm	Revised UoM Consumer Sentiment	82.90	82.50	Positive	
		6:00pm	Core Durable Goods Orders m/m	0.90%	0.40%	Positive
		Durable Goods Orders m/m	1.70%	-1.60%	Positive	
26-12-13	7:30pm	New Home Sales	449K	444K	Positive	
		6:00pm	Unemployment Claims	382K	379K	Negative
23-12-13	6:00pm	Core PCE Price Index m/m	0.10%	0.10%	Neutral	

Outlook - Based on above economic data a neutral trend is expected for the dollar.



CURRENCY –EUR-INR (DEC)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell below 84.75	84.25-84.00	85.10.

Overview– the Euro saw more than 0.60% correction in the last week, closed at 84.96. While EUR/USD went to its lowest level since Dec. 6 as traders speculated the European Central Bank will need to loosen monetary conditions to support the region’s fragile recovery. Rating agency S&P downgraded the European Union institutions from triple A (AAA) to double A minus (AA-) weighted on the sentiment.

From technical aspects – On the above daily chart EUR-INR showing near about three month consolidation phase. A Median line of Raff regression channel line will be the immediate support at 84.50 while upper line will be act as a strong resistance at 86.60 either side break out or break down in the near term will bring a sharp move in the pair.

Europe Major Economic Data & Events Update

- German economic sentiment soared by 7.4 points to hit 62.0 this month from November’s reading of 54.6. Analysts had expected the index to rise by 0.4 points to 55.0 in December.
- Euro zone surplus widened to a EUR14.5 billion in October from a surplus of EUR12.4 billion in September.
- Euro zone manufacturing PMI rises to 31-month high of 52.7 in December.
- Gfk German consumer climate index rose to 7.6 in December from 7.4 in November.
- Euro zone consumer confidence fell to an annual rate of -13.6, from -15.4 in the preceding month.

Major Economic Data & Events Schedule (For Week) that will Impact EUR-INR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
23-12-13	11:30am	German Import Prices m/m	0.40%	-0.70%	Positive
	6:30pm	Belgian NBB Business Climate	-3.90	-4.30	Neutral
24-12-13	12:15pm	French Consumer Spending m/m	0.30%	-0.20%	Positive
12-23-13	11:30am	German Import Prices m/m	0.40%	-0.70%	Positive

Outlook - Based on above economic data a consolidation trend is expected for the pair.



CURRENCY – GBP-INR (DEC)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 101.85-101.80	101.20-100.60	102.50.

Overview – GBP-INR was able to gain 0.15% and settled at 101.64. Similarly GBP/USD went above 1.6480 level supported by positive fundamental developments during the week.

From the technical aspect – On Weekly chart, after witnessing the nine week rising channel line pattern GBP-INR made a low of 100.67 but didn't hold it and bounced till 102.47. On a short term perspective, GBP-INR is still in a bearish trend unless it breaks massive resistance 103.25 on the upside.

U.K. Major Economic Data & Events Update

- U.K. claimant count fell by 36,700 last month, better than expectations for a decline of 35,000 people. October's figure was revised to a drop of 42,800 people from a previously reported decline of 41,700.
- U.K. rate of unemployment ticked down to 7.4% in October from 7.6% in September. Analysts had expected the jobless rate to remain unchanged.
- The Bank of England previously announced plans to keep interest rates on hold at record lows as long as the U.K. unemployment rate remains above 7%.
- U.K. current account balance fell to -20.7B, from -6.2B in the preceding month whose figure was revised up from -13.0B.

Major Economic Data & Events Schedule (For Week) will Impact - GBPINR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
24-12-13	2:00pm	BBA Mortgage Approvals	44.5K	42.8K	Positive
25-12-13	All Day	Bank Holiday	-	-	-
26-12-13	All Day	Bank Holiday	-	-	-

Outlook - Based on above economic data and events a volatile trend is expected for the pair.



CURRENCY – JPY-INR (DEC)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 59.80-59.90	59.40-58.80	60.50.

Overview – JPY-INR printed a record low of 59.55, drop near to one percent in the last week as the Japanese yen hit a recent record low to trade at 104.63 gave up 0.80% against the growing US dollar.

From the technical aspect – A strong bearish candle stick on the weekly chart is signalling for the further correction. Pair closed below the 61.8% Fibonacci projection line. RSI 14 trading at 50.32.

JAPAN & China Major Economic Data & Events Update

- Japan trade balance fell to -1.35T, from -1.09T in the preceding month whose figure was revised down from -1.07T.
- The Bank of Japan maintained its record easing, after a U.S. Federal Reserve decision to taper policy helped weaken the yen to a five-year low against the dollar. Governor Haruhiko Kuroda's board kept its pledge to expand the monetary base by an annual 60 trillion to 70 trillion yen (\$670 billion) today after a two-day meeting in Tokyo

Major Economic Data & Events Schedule (For Week) will Impact - JPYINR

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
25-12-13.	8:30am	BOJ Gov Kuroda Speaks	-	-	-
26-12-13	4:20am	Monetary Policy Meeting Minutes	-	-	-
27-12-13	4:00am	Household Spending y/y	1.90%	0.90%	Positive
		Tokyo Core CPI y/y	0.70%	0.60%	Positive
	4:20am	Prelim Industrial Production m/m	0.60%	0.50%	Positive

Outlook - Based on above economic data and events a bearish trend is expected for the pair.

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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