



Tuesday, Dec 24th 2013

CURRENCY ACTIVITY 23/12/2013

Currency Pairs	Closed	% Chg	Open Interest	% Chg	Total Trade Volume (Rs in Cr)	% Chg	No of Contracts Traded	% Chg
USDINR	62.02	-0.31	463,489	-3.22	3,348.09	-18.93	-18.71	463,489
EURINR	84.83	-0.15	19,465	-2.65	189.76	-34.30	-34.17	19,465
GBPINR	101.38	-0.25	12,807	1.93	240.49	-24.89	-24.58	12,807
JPYINR	59.74	0.26	5,224	-11.44	56.44	1.93	1.96	5,224

CURRENCY UPDATE

- **USD-INR-** The dollar eased lower against the Rupee on Monday supported by the Asian shares and local share market which saw a bullish rally after the International Monetary Fund said it would consider raising economic growth forecast for United States after fourth quarter gross domestic product data.
- **EUR** - The euro remained slightly positive with light trade on Monday, as investors locked in gains after the greenback's rally last week following the Federal Reserve's decision to begin tapering its stimulus program in January.
- **GBP-** The pound edges higher in holiday-thinned trade on Monday, as traders locked in profits after the greenback gained ground last week due to the Federal Reserve's decision to begin tapering its stimulus program next month.
- **JPY-** Yen took small gain against the weaker dollar with thin trading range on Monday traded at 103.88 down 0.17%, during the European trade with the Tokyo market lightly staffed on a public holiday.

IMPORTANT NEWS ROUNDUP

- The People's Bank of China (PBOC) injected more than 300 billion Yuan into the interbank market in response to rising rates, but hinted that banks have work to do if they want to avoid a cash crunch.
- German Import Price Index rose to a seasonally adjusted 0.1%, from -0.7% in the preceding quarter.
- U.S. personal spending rose by 0.5% gain from a previously reported increase of 0.3%. Consumer spending is the single biggest source of U.S. economic growth, accounting for as much as two-thirds of economic activity.



CURRENCY TO FOCUS – USD-INR (DEC)

Intraday USD-INR Trend : Consolidation



Overview: USD-INR saw a weakness about 0.32% in the in start of the week. On the above chart, we can see that the pair didn't hold trading range below 61.78 and bounced back from the day low 61.89, settled at 62.02. For the short time perspective trend expected to be downside unless pair breaks above the 62.62 on the closing basis.

The Christmas and New Year holiday mood among the Asian and European currencies may bring the thin range and little interest to take on fresh positions during the day.

(In Rs.)	Target	SL
Sell 62.15-62.20	62-61.88	62.35
And; Or		
Buy 62.40	62.60-62.75	62.2850.

FOREIGN CURRENCY AND TECHNICAL LEVELS

Symbol	Last Rate At 8.45 AM	% Chg	Currency Pairs	R1	R2	Pivot	S1	S2
DOLLAR INDEX	80.51	0.11	USDINR	62.197	62.363	62.0	61.877	61.723
EUR/USD	1.3682	-0.09	EURINR	85.020	85.200	84.8	84.640	84.440
GBP/USD	1.6349	-0.03	GBPINR	101.620	101.820	101.4	101.180	100.940
USD/JPY	104.34	0.25	JPYINR	59.867	59.953	59.7	59.627	59.473

Major Economic Data and Events Schedule (For 24/12/2013)

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
10:30am	JPY	BOJ Monthly Report	-	-	-
1:15pm	EUR	French Consumer Spending m/m	0.30%	-0.20%	Positive
7:00pm	USD	Core Durable Goods Orders m/m	0.90%	0.40%	Positive
	USD	Durable Goods Orders m/m	1.70%	-1.60%	Positive
7:30pm	USD	HPI m/m	0.50%	0.30%	Positive
8:30pm	USD	New Home Sales	449K	444K	Positive
	USD	Richmond Manufacturing Index	15.00	13.00	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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