



Friday, Dec 27th, 2013

CURRENCY ACTIVITY 26/12/2013

Currency Pairs	Closed	% Chg	Open Interest	% Chg	Total Trade Volume (Rs in Cr)	% Chg	No of Contracts Traded	% Chg
USDINR	62.48	0.41	469,569	5.80	3,694.45	48.03	47.79	469,569
EURINR	85.56	0.49	20,149	4.94	261.07	31.85	31.01	20,149
GBPINR	102.30	0.46	12,437	-10.94	249.96	24.98	24.07	12,437
JPYINR	59.72	-0.10	4,536	-15.75	116.25	44.88	45.30	4,536

CURRENCY UPDATE

- **USD-INR-** Dollar snapped its two day fall against the Rupee and remained in the small range on Thursday as most foreign banks were closing their books and refrained from entering into fresh positions ahead of the end of the year.
- **EUR** - Euro rebounded on technical triggers ahead of the end of the year amid mixed economic data which largely attributed to a flat dollar index. Trading activity remained subdued as major markets across the globe would remain shut to celebrate Christmas and New Year.
- **GBP-** The pound was slightly higher on Thursday. Mortgage approvals in the U.K. rose more-than-expected in November to hit the highest level since December 2009, according to the British Banker's Association.
- **JPY-** The Yen weakened to five year low against the Dollar on Thursday, drop to 0.45 percent at 104.83, after earlier reaching 104.84, the weakest level since October 2008 amid speculation that the Bank of Japan will continue unprecedented stimulus while the Federal Reserve pares quantitative easing as the U.S. economy recovers.

IMPORTANT NEWS ROUNDUP

- BOJ board members agreed to examine risks and adjust policy as needed, according to minutes of their Nov. 20-21 meeting released yesterday. One member said anticipation of more easing could lead to economic instability.
- Japan industrial production rose to 0.1%, from 1.0%, and retail sales rose to annual rate of 4.0%, from 2.3% in the preceding month.
- Japan's National Core CPI rose to a seasonally adjusted 1.2%, from 0.9% in the preceding month.
- Tokyo's core CPI, which excludes fresh food costs rose to at an annualized rate of 0.7%, from 0.6%.



CURRENCY TO FOCUS – USD-INR (JAN)

Intraday USD-INR Trend : Consolidation



Overview: USD-INR had a quiet positive Thursday, gained 0.41% and settled at 62.48. There was little news flow from Europe and U.K. as markets were closed in Germany, Italy and Switzerland and the UK. On the above intraday chart, we can see that the pair settled above the 62.45 level but remained below the 38.2% retracement. Hence, that being case, we could expect again consolidation in the pair with resistance 62.50-62.69 and support 62.39-62.19.

Dec Future expiry at 12.15 PM is expected to contribute consolidation.

(In Rs.)	Target	SL
Sell below 62.15	61.95	62.28.
And; Or		
Buy 62.35-62.30	62.50-62.69	62.18.

FOREIGN CURRENCY AND TECHNICAL LEVELS

Symbol	Last Rate At 8.45 AM	% Chg	Currency Pairs	R1	R2	Pivot	S1	S2
DOLLAR INDEX	80.33	-0.21	USDINR	62.663	62.797	62.4	62.283	62.037
EUR/USD	1.3732	0.31	EURINR	85.770	85.930	85.5	85.320	85.030
GBP/USD	1.6437	0.18	GBPINR	102.570	102.810	102.2	101.980	101.630
USD/JPY	104.82	0.04	JPYINR	59.917	60.093	59.7	59.487	59.233

Major Economic Data and Events Schedule (For 27/12/2013)

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
9:00 PM	USD	Natural Gas storage	-177B	-285B	-
9:30PM	USD	Crude oil inventories	-1.9m	-2.9M	+

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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