



Previous Week % Change in Local Market (Future)

Currency	Open	High	Low	Close	Pre. Close	% change
USD-INR	62.34	62.90	62.02	62.55	62.33	0.35
GBP-INR	102.78	103.69	102.41	102.98	102.85	0.13
EUR-INR	85.90	85.97	85.29	85.35	86.11	-0.88
JPY –INR	59.38	60.36	58.90	59.90	59.53	0.62

Previous Week Change in CME Market

Currency	Open	High	Low	Close	Pre. Close	% change
Dollar Index	80.28	80.90	79.93	80.87	80.3380	0.66
EUR/USD	1.3740	1.3819	1.3582	1.3582	1.3779	-1.43
GBP/USD	1.6475	1.6599	1.6393	1.6402	1.64755	-0.45
USD/JPY	105.29	105.44	104.07	104.77	105.1540	-0.37

Previous Week Change in Other Market

Currency	Open	High	Low	Close	Pre. Close	% change
DGCX INR	62.38	65.45	62.01	62.62	62.38	0.38
CNYINR	10.20	10.33	10.18	10.27	10.2029	0.66

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

	Week Dec 27 <sup>th</sup>	Week Dec 20 <sup>th</sup>	Week	End March 2013	Year
Total Reserves	295.708	295.503	0.204	3.662	0.869
Foreign Assets *	268.634	268.469	0.164	8.908	6.620
Gold	20.603	20.603	--	-5.088	-7.200
SDRs	4.461	4.431	0.030	0.134	0.0025
Reserve Position In IMF**	2.009	1.999	0.001	-0.291	-0.315

\*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 (JAN)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy 62.20-62.30	62.75-62.96	61.95.
And; Or		
Sell below 61.90	61.78-61.50	62.20.

**Overview:** After the New Year holiday in first half of the week, USD-INR saw upside rally towards 62.90, settled with the gain of 0.35% at 62.55

**From technical aspects** - On the weekly, a triangle pattern was found with resistance at 63.50 levels. A breakout above it may confirm for further rally in days to come. USD-INR is in a consolidation zone and unless it breaks up the resistance of 63.50 levels or breakdown the support of 61.05 levels of closing basis, this consolidation is expected to continue in weeks to come.

Domestic Major Economic Data & Events Update

- India's infrastructure sector output rose 1.7 % year-on-year in November, bouncing back from a contraction in the previous month, mainly driven by higher electricity, coal and cement production, government data showed..

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
10.01.14	-	Nov IIP (y/y chg)	-	-1.80%	-

**Outlook** – Based on above economic data and events a positive consolidation is expected for the pair. .



CURRENCY – Dollar Index



TRADING RANGE FOR THE WEEK:

**Overview**– The dollar took more than half percent gain last week against the Euro closed at 80.87, as Weaker HSBC PMI of China and Fed chairman Bernanke statement gave the bullish rally. Chairmen hinted that the U.S. economy continue to recover.

**From Technical Aspects** - We could expect momentum bullish rally in beginning of the week, on the back of weaker Euro. Trading appeared to be winding up after the holidays. On the higher side Pair will find the massive resistance 81.05 sustain trade above next level is seen at 81.27-81.50. Support level is seen at 79.65 below it currency expected to test 79.53.

U.S. Major Economic Data & Events Update

- US business conditions rose to 55 in December compared to 54.7 a month earlier while construction spending in the rose 1% in November ahead of expectations of 0.6% and compared to 0.9%.
- Unemployment claims in the week to Dec 27 fell 2000 to 339,000 from 341,000 a week earlier.
- Markit Purchasing Managers Index for the euro zone came in at 52.7 for December compared to 51.6 a month earlier.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
06.01.14	8:30pm	ISM Non-Manufacturing PMI	54.60	53.90	Positive
		Factory Orders m/m	1.80%	-0.90%	Positive
07.01.14	4:00am	Fed Chairman Nomination Vote	-	-	-
	7:00pm	Trade Balance	-40.2B	-40.6B	Positive
08.01.14	6:45pm	ADP Non-Farm Employment Change	199K	215K	Negative
	11:31pm	10-y Bond Auction	-	2.82 2.6	-
09.01.14	12:30am	FOMC Meeting Minutes	-	-	-
	7:00pm	Unemployment Claims	334K	339K	Positive
10.01.14	7:00pm	Non-Farm Employment Change	194K	203K	Negative
		Unemployment Rate	7.00%	7.00%	Neutral

**Outlook** - Based on above economic data, a bullish trend could expect for the U.S. dollar.



CURRENCY –EUR-INR (JAN)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell 85.70-85.70	85.30-84.80	86.30.

**Overview**– After witnessing a best performer currency last week, EUR-INR took correction about 0.88%. In the same way EUR/USD drop by 1.43% from the high of 133819 to 1.3582, after robust economic data from the U.S. While speculation over ECB likely to cut interest rates its Monthly meeting scheduled on 09<sup>th</sup> Jan pressurized the pair

**From technical aspects** – On the above Weekly chart EUR-INR forming a bearish harami candle stick, indicating further selling pressure may take place in the Market. Weekly price action showing consolidation of 86.19-85.30, pair didn't break the massive resistance 86.30.

Europe Major Economic Data & Events Update

- Euro zone’s manufacturing PMI remained unchanged at 52.7, from 52.7 in the preceding month.
- German manufacturing PMI rose to a seasonally adjusted 54.3, from 54.2 in the preceding month.
- French manufacturing PMI fell to a seasonally adjusted 47.0, from 47.1 in the preceding month.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
06.01.14	All Day	German Prelim CPI m/m	0.20%	-	-
07.01.14	12:30pm	German Retail Sales m/m	0.50%	-0.80%	Positive
	2:25pm	German Unemployment Change	-1K	10K	Positive
	3:30pm	CPI Flash Estimate y/y	0.90%	0.90%	Neutral
	08.01.14	12:30pm	German Trade Balance	18.9B	16.8B
Tentative		German Constitutional Court Ruling	-	-	-
3:30pm		Retail Sales m/m	0.20%	-0.20%	Positive
		Unemployment Rate	12.10%	12.10%	Neutral
09.01.14	4:30pm	German Industrial Production m/m	1.60%	-1.20%	Positive
	6:15pm	Minimum Bid Rate	0.25%	0.25%	Neutral
	7:00pm	ECB Press Conference	-	-	-
10.01.14	1:15pm	French Industrial Production m/m	0.60%	-0.30%	Positive

**Outlook** - Based on above economic data, a volatile trend could expect for the pair.



## CURRENCY – GBP-INR (JAN)



## TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy above 103.10	103.50-103.85.	102.70.

**Overview** – After hitting the upside target of 10350, GBP-INR took about 1.02 points downside move last week and settled at 102.98. In the same way after testing 1.6599 levels, GBP/USD settled with the loss of 0.45% at 1.64755.

**From the technical aspect** – On above chart, GBP-INR trading at median line of raff regression channel line and forming a bearish engulfing line pattern. RSI 14 and 9 SMA are trading on the verge of negative crossover. Hence, this week, GBP-INR is appeared to open its account with some amount of losses, on the upside 103.70 will act as an immediate resistance, sustain above this level pair expected to test 104.50 next resistance.

## U.K. Major Economic Data &amp; Events Update

- U.K. Net Lending fell to 1.5B, from 1.6B in the preceding month whose figure was revised down from 1.7B.
- U.K. Construction PMI fell to 62.1, from 62.6 in the preceding month.
- U.K. manufacturing PMI fell to 57.3 from a reading of 58.1 in November. Analysts had expected the manufacturing PMI to ease down to 58.0 in December.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
06.01.14	3:00pm	Services PMI	60.70	60.00	Positive
07.01.14	7th-10th	Halifax HPI m/m	0.60%	1.10%	Negative
08.01.14	3:00pm	BOE Credit Conditions Survey	-	-	-
09.01.14	3:00pm	Trade Balance	-9.4B	-9.7B	Positive
	5:30pm	Asset Purchase Facility	375B	375B	Neutral
		Official Bank Rate	0.50%	0.50%	Neutral
	Tentative	MPC Rate Statement	-	-	-
10.01.14	5:31am	BRC Retail Sales Monitor y/y	-	0.60%	-
	3:00pm	Manufacturing Production m/m	0.40%	0.40%	Neutral

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



CURRENCY – JPY-INR (JAN)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy around 58.80-58.90	59.60-60.15	58.30.

**Overview** – JPY-INR saw a sharp recovery from the low 58.90 settled at 59.90 with the gain of 0.62%. Japanese yen which failed near to five year low 105.18 was able to recover against the dollar, settled at 104.77.

**From the technical aspect** – Weekly chart is showing a downtrend since September 05, hitting a low of 58.91 on 1st January 2014. JPY-INR broke the crucial support at 59.78, currently trading under the bearish trend while forming descending impulse which is expected to complete around 58.32. JPY-INR expected to bounce back from that level in coming days.

JAPAN & China Major Economic Data & Events Update

- China’s final HSBC PMI inched down to 50.5 in December from 50.8 in November, which bolstered the greenback’s safe-haven appeal.
- Chinese Manufacturing PMI fell to an annual rate of 51.0, from 51.4 in the preceding month.

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

Date	Currency	Time	Economic Indicators	Forecast	Previous	Possible Impact
07.01.14	5:20am	JPY	Monetary Base y/y	0.55	0.53	Positive
	9:15am	JPY	10-y Bond Auction		0.65 4.0	-
09.01.14	7:00am	CNY	CPI y/y	2.70%	3.00%	Negative
		CNY	PPI y/y	-1.20%	-1.40%	Negative
10.01.14	Tentative	CNY	Trade Balance	32.6B	33.8B	Negative
	10:30am	JPY	Leading Indicators	110.90%	109.80%	Positive
	Tentative	CNY	New Loans	589B	625B	Negative
	Tentative	CNY	M2 Money Supply y/y	13.90%	14.20%	Negative

**Outlook** - Based on above economic data and events a volatile 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.

**Contact**

SMS: 'Arihant' to 56677

**Website**[www.arihantcapital.com](http://www.arihantcapital.com)**Email Id**[research@arihantcapital.com](mailto:research@arihantcapital.com)**Arihant Is Forbes Asia's '200 Best under a \$Billion' Company  
'Best Emerging Commodities Broker' awarded by UTV Bloomberg**

**Disclaimer:** This document has been prepared by Arihant Capital Markets Limited (hereinafter called as Arihant) and its subsidiaries and associated companies. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. Receipt and review of this document constitutes your agreement not to circulate, redistribute, retransmit or disclose to others the contents, opinions, conclusion, or information contained herein. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. All recipients of this material should before dealing and or transacting in any of the products referred to in this material make their own investigation, seek appropriate professional advice. The investments discussed in this material may not be suitable for all investors. The recipient alone shall be fully responsible/are liable for any decision taken on the basis of this material. Arihant Capital Markets Ltd (including its affiliates) or its officers, directors, personnel and employees, including persons involved in the preparation or issuance of this material may; (a) from time to time, have positions in, and buy or sell or (b) be engaged in any other transaction and earn brokerage or other compensation in the financial instruments/products discussed herein or act as advisor or lender/borrower in respect of such securities/financial instruments/products or have other potential conflict of interest with respect to any recommendation and related information and opinions. The said persons may have acted upon and/or in a manner contradictory with the information contained here and may have a position or be otherwise interested in the investment referred to in this document before its publication. The user of this report assumes the entire risk of any use made of this data / Report. Arihant especially states that it has no financial liability, whatsoever, to the users of this Report.

**ARIHANT capital markets Ltd.**3<sup>rd</sup> Floor Krishna Bhavan, 67 Nehru Road, Vile Parle (E), Mumbai – 400057

Tel. 022-42254800 Fax. 022-42254880

[www.arihantcapital.com](http://www.arihantcapital.com)