



Previous Week % Change in Local Market (Future)

Currency	Open	High	Low	Close	Pre. Close	% change
USD-INR	62.38	62.66	62.03	62.08	62.45	-0.59
GBP-INR	102.29	104.14	102.19	103.70	102.08	1.59
EUR-INR	85.00	85.60	84.57	85.04	84.76	0.33
JPY –INR	61.07	61.65	60.66	60.99	61.16	-0.28

Previous Week Change in CME Market

Currency	Open	High	Low	Close	Pre. Close	% change
Dollar Index	80.78	80.83	80.07	80.16	80.68	-0.64
EUR/USD	1.3624	1.3714	1.3562	1.3698	1.3638	0.44
GBP/USD	1.6407	1.6748	1.6379	1.6746	1.6415	2.02
USD/JPY	102.44	102.70	101.58	101.80	102.26	-0.45

Previous Week Change in Other Market

Currency	Open	High	Low	Close	Pre. Close	% change
DGXCINR	62.30	62.64	61.89	61.90	62.30	-0.64

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

	Week Feb 07 th	Week Jan 31 st	Week	End March 2013	Year
Total Reserves	292.330	291.070	1.260	0.284	-2.212
Foreign Assets *	265.832	264.569	1.262	6.106	5.051
Gold	20.075	20.075	-	-5.616	-6.899
SDRs	4.428	4.430	-0.001	0.101	0.003
Reserve Position In IMF**	1.993	1.995	-0.001	-0.306	-0.368

*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 (FEB)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell around 62.25	62-61.85-61.70	62.55 (STRICT)

Overview: The local currency (INR) posted a 0.59% gain against the dollar this week. The India WPI inflation eased to 5.05% in January from 7% while mixed impact of IIP and CPI supported the local currency.

From technical aspects – As we predicted in our previous week report, the USD-INR stayed downside and hit first Target. This week, bearish trend may resume towards lower trend line supports of 61.92-61.70 (from 62.25) as it was found to form a consolidation pattern with the massive resistance 63.35. **Immediate resistance level is seen at 62.55, Sustain trade above a bullish move could expect till 62.80-62.98 again.**

Domestic Major Economic Data & Events Update

- Industrial production shrank 0.6% in December, its third contraction in a row although the fall was smaller than the -1.0 percent forecast by analysts in a Reuters poll and a revised 1.3 percent decline in November.
- Consumer inflation dropped to a two-year low of 8.79% last month, its lowest level since January 2012.
- Indian Trade Balance rose to -9.92B, from -10.14B in the preceding month.
- The wholesale price index (WPI), long regarded as India's main inflation measure, rose to 5.05 % last month, compared with a 5.80% jump forecast by economists in a Reuters poll.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
20-02-2014		CPI inflation	-	-	-
		-Agricultural labourers - JAN	11.19%	-	-
		-Rural labourers - JAN	11.18%	-	-

Outlook – Based on above economic data and events a negative consolidation is expected for the USD-INR.



CURRENCY – DOLLAR INDEX



TRADING RANGE FOR THE WEEK: Below 80.05 Next Support 79.65.

Overview—The U.S. dollar witnessed its losing streak for second straight week and settled at 80.16 with drop of 0.64%. Fed Chair Yellen suggested that the central bank would taper the pace of its asset purchases at future meetings if the economy continued to improve as expected while some downbeat weekly data added bearish sentiment.

From Technical Aspects – As expected in the previous outlook, dollar index took correction and hit our both level 80.53 and 80.15. On the weekly chart a bearish consolidation pattern with the crucial support 80.05 may be sign for correction towards 79.68-79.50 in days to come. This Week, Janet Yellen testimony (20 Feb) may bring the significant move for the Greenback. A bullish move could arise only above 81.35 levels towards 81.50 and above.

U.S. Major Economic Data & Events Update

- Fed Chair Yellen suggested that the central bank would taper the pace of its asset purchases at future meetings if the economy continued to improve as expected.
- U.S. job openings, excluding the farming industry, fell to 3.99 million in December from 4.03 million in November.
- U.S. retail sales fell by 0.4% last month, disappointing expectations for a 0.3% increase.
- U.S. weekly jobless claims in the week ending February 8 rose by 8,000 to 339,000 from the prev. wk 331,000.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
18.02.14	7:00pm	Empire State Manufacturing Index	9.90	12.50	Negative
19.02.14	7:00pm	Building Permits	0.98M	0.99M	Negative
		Core PPI m/m	0.40%	0.30%	Positive
		Housing Starts	0.95M	1.00M	Negative
20.02.14	12:30am	FOMC Meeting Minutes	-	-	-
	7:00pm	Core CPI m/m	0.10%	0.10%	Neutral
		Unemployment Claims	335K	339K	Positive
		CPI m/m	0.10%	0.30%	Negative
	7:30pm	Flash Manufacturing PMI	53.60	53.70	Negative
	Tentative	Fed Chair Yellen Testifies	-	-	-
21.02.14	8:30pm	Existing Home Sales	4.73M	4.87M	Negative

Outlook – Based on above economic data, a bearish trend could expect for the U.S. dollar.



CURRENCY –EUR-INR (FEB)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell below 84.56	84.20-83.88	85.05

Overview—EUR-INR was able to find some support from 84.58-84.60 level last week, and settled at 85.04 with small gain 0.33%. Similarly EUR-USD was found some support and settled at 1.3698, up 0.44% helped by upbeat economic growth in last quarter.

From technical aspects – On the weekly chart, EUR-INR formed an indecisive candle stick while settled above the short term SMA. This week, a break down below 84.56 would confirm for a valid sell entry. Otherwise pair could take upside rally towards 86-86.30 level in days to come.

Europe Major Economic Data & Events Update

- Euro zone industrial production declined by 0.7% in December, compared to expectations for a 0.3% drop. Industrial production in November was revised to a 1.6% gain, from a previously reported increase of 1.8%.
- Euro zone investor confidence improved to 13.3 this month from a reading of 11.9 in January. Analysts had.
- Euro zone GDP rose to 0.3%, from 0.1% in the preceding quarter.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
17.02.14	All Day	Euro group Meetings	-	-	-
18.02.14	2:30pm	Current Account	19.8B	23.5B	Negative
	3:30pm	German ZEW Economic Sentiment	61.30	61.70	Negative
		ZEW Economic Sentiment	73.90	73.30	Positive
	All Day	ECOFIN Meetings	-	-	-
20.02.14	12:30pm	German PPI m/m	0.30%	0.10%	Positive
	1:30pm	French Flash Manufacturing PMI	49.60	49.30	Positive
		French Flash Services PMI	49.50	48.90	Positive
	2:00pm	German Flash Manufacturing PMI	56.40	56.50	Negative
		German Flash Services PMI	53.40	53.10	Positive
	2:30pm	Flash Manufacturing PMI	54.20	54.00	Positive
		Flash Services PMI	51.90	51.60	Positive
21.02.14	3:30pm	EU Economic Forecasts	-	-	-

Outlook - Based on above economic data, a negative trend could expect for the Euro.



CURRENCY – GBP-INR (FEB)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Buy above 104.20	104.80-105.20	103.50

Overview – Last week, GBP-INR was a best performer among the major counterpart, settled at 103.70 with the gain of 1.59%. Similarly, GBP/USD settled at 1.6746, up 2.02% from the previous close of 1.6415.

From the technical aspect –GBP-INR formed a long bullish candle stick on the weekly chart while stayed above the SMA, as predicted didn't broke the 101.90 level. This week, we could expect some strength in the GBP-INR as an abrupt bullish rally in to the CME GBP/USD after a positive forecast of U.K economic growth for 2014 by BOE last week may contribute the bullish trend in beginning of the week. U.K unemployment and MPC Asset Purchase Facility Votes will be the key driver during the week.

U.K. Major Economic Data & Events Update

- The Bank of England said it will keep its key interest rate at a record low even after unemployment reaches its 7 percent threshold as it introduced a new phase of Governor Mark Carney's forward-guidance policy.
- The pound remained supported after the BoE raised its U.K. economic growth forecast for 2014 to 3.4% from 2.8%.

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

Date	Time	Economic Indicators	Forecast	Previous	Possible Impact
18.02.14	3:00pm	CPI y/y	2.00%	2.00%	Neutral
		PPI Input m/m	-0.40%	0.10%	Negative
		RPI y/y	2.70%	2.70%	Neutral
19.02.14	3:00pm	Claimant Count Change	-18.3K	-24.0K	Positive
		MPC Asset Purchase Facility Votes	0-0-9	0-0-9	-
		MPC Official Bank Rate Votes	0-0-9	0-0-9	-
		Unemployment Rate	7.10%	7.10%	Neutral
20.02.14	4:30pm	CBI Industrial Order Expectations	6.00	-2.00	Positive
21.02.14	Day 1	G20 Meetings	-	-	-
	3:00pm	Retail Sales m/m	-0.90%	2.60%	Negative
22.02.14	Day 2	G20 Meetings	-	-	-

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



CURRENCY – JPY-INR (FEB)



TRADING STRATEGY FOR THE WEEK:

(In Rs.)	Target	SL
Sell around 61.80	61.10-60.65	62.45

Overview –JPY-INR drifted lower towards 60.66 and settled at 60.99 with the drop of 0.28%. Similarly, Japanese yen witnessed its winning streak for fourth straight week, settled at 101.80 vs. previous week close of 102.26.

From the technical aspect – On the weekly chart, JPY-INR hovering under the broadening wedge pattern with the resistance 62.46 and support 60.40. This week, preliminary 4th quarter GDP and Bank of Japan outlook with respect to the inflation may provide a valid direction to the Yen. The short term trend is expected to bearish unless pair breaks and sustain above 62.45 levels.

JAPAN & China Major Economic Data & Events Update

- Chinese Trade Balance rose to 31.86B, from 25.60B in the preceding month. .
- China consumer price index jumped 2.5 percent from a year earlier, or 1 percent on a monthly basis, as beef, pork and vegetable prices all increased.
- Chinese PPI fell to an annual rate of -1.6%, from -1.4% in the preceding month.
- Japan's Corporate Goods Price Index fell to annual rate of 2.4%, from 2.5% in the preceding month.

Major Economic Data & Events Schedule (For Week) will Impact – JPY-INR

Date	Currency	Time	Economic Indicators	Forecast	Previous	Possible Impact
17.02.14	5:20am	JPY	Prelim GDP q/q	0.70%	0.30%	Positive
	Tentative	CNY	New Loans	1075B	483B	Positive
18.02.14	Tentative	JPY	Monetary Policy Statement	-	-	-
	Tentative	JPY	BOJ Press Conference	-	-	-
20.02.14	5:20am	JPY	Trade Balance	-1.56T	-1.15T	Negative
	7:15am	CNY	HSBC Flash Manufacturing PMI	49.40	49.50	Negative
21.02.14	5:20am	JPY	Monetary Policy Meeting Minutes	-	-	-
	Day 1	ALL	G20 Meetings	-	-	-
22.02.14	Day 2	ALL	G20 Meetings	-	-	-

Outlook - Based on above economic data and events a negative 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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