



INR

Exchange	Contract	S 2	S1	Close	R 1	R2	Recommendation
NSE	April2010	44.7000	45.1000	45.3975	45.8400	46.1000	Sell below 45.28 TP 44.7/44.3 SL 45.60
MCX-SX	April2010	44.7000	45.1000	45.3975	45.8400	46.1000	Sell below 45.28 TP 44.7/44.3 SL 45.60

INDICATORS	This Week	1 Week ago	% CHANGE
LIBOR 1Mth	0.2469	0.2451	0.74
LIBOR 3Mth	0.2888	0.2775	4.05
MIBOR 1Mth	0.4000	0.4000	0.00
MIBOR 3Mth	0.6400	0.6400	0.00
U.S. 5Yr Bond Yield	2.5871	2.4559	5.34
U.S. 10Yr Bond Yield	3.8468	3.6892	4.27
India 5Yr Bond Yield	7.4800	7.5310	-0.68
India 10Yr Bond Yield	7.8610	7.8860	-0.32
Reference Rate	45.3400	45.4800	-0.31
CBLO Rate	3.1300	2.9900	4.68
Call Rate	3.5000	3.3000	6.06

ASIAN CURRENCY PAIR	This Week	1 Week ago	% CHANGE
Chinese Yuan	6.8270	6.8266	0.01
Hongkong Dollar	7.7625	7.7593	0.04
Indian Rupee	45.2400	45.4966	-0.56
Indonesian Rupiah	9120.0000	9108.0000	0.13
Myanmar Ringgit	3.3070	3.3035	0.11
Philippines Peso	45.5100	45.5350	-0.05
Singapore Dollar	1.4036	1.3986	0.36
S Korean Won	1138.8000	1132.8000	0.53
Taiwan Dollar	31.8760	31.7430	0.42
Thailand Baht	32.4000	32.3100	0.28

Particular (in USD MIO)	This Week	Last Week	% Change
Foreign Current Asset	253845	255321	-0.58
Special Drawing Rights	5039	5069	-0.59
Gold Reserves	17920	17920	0.00
Positions in IMF	1389	1398	-0.64
Total FOREX Reserves	278193	279708	-0.54

REFERENCE RATE	This Week	Last Week	% Change
USDINR	45.3400	45.4800	-0.31
EURINR	60.5200	61.8900	-2.21
GBPINR	67.4296	71.0467	-5.09
JPYINR 100	49.0100	50.2800	-2.53

FUNDAMENTAL REVIEW

The partially convertible currency appreciated against the greenback on account of steady equity markets and the Greece debt crisis being resolved lately. Moreover the basket majors recovered against the US dollar as the European officials stated that the government officials will extend emergency collateral rules beyond 2010 and support International Monetary Fund's participation in a Greek rescue plan.

The month end dollar demand is not likely to presurise the spot rupee as the other global factors play lead role in the market.

FII inflows into the stock market are a crucial factor to look for to determine the rupee's fate. As per the Securities and Exchange Board of India, the foreign holdings of local stocks rose to \$76.2 billion till March 22, adding on to the record inflows of \$17.5 billion in year 2009.

According to the government data, **India's imports** increased 35.5% in January 2010 from a year earlier, the highest since September 2008, over running the 11.5% gain in exports. Resultantly, **the trade deficit widened** to a 14-month high of \$10.4 billion in January.

In the penultimate week, **the reserve bank of India raised interest rates** for the first time in two years thereby fueling speculation that other economies may also follow similar hikes in their respective economies. It was also an indication that the government has begun winding up the stimulus packages given earlier to overcome the Great Depression.



TECHNICAL SNAPSHOT

After two weeks of consolidation indecisive phase, rupee has shown a break down trading suggesting currency to trade lower in the coming week. However, the immediate support can be seen at 45.009 (17th January 2010 low). Only on break of the same may see prices testing 45.00 levels. Moreover, weekly RSI-14 is trading at 0.34 and still has potential to test 0.30 zones. This may suggest prices to remain lower. Prices are trading in a lower trend channel suggesting prices to test the lower band of the channel. The moving average concept is also supporting the price trend to remain lower as the prices are trading below 10, 20 and 50-weeks EMA.

The entire analysis suggest market to remain lower, however, the resistances can be seen at 45.70. Only on break of the same it may reverse the trend to higher side.

OUTLOOK

- ◆ **Indian government is expected to release current account balance for 4Q-2009 and Import, export percentage growth for February month. 3Q Current account balance stood at -\$12.63 billion**
- ◆ **Steadiness in the equity market is providing strength to the currency futures, despite the month-end dollar demand hovering in market raising the forwards premium**
- ◆ **The month end dollar demand is expected to continue next week, which might trigger intermediate dollar buying from the importers and oil refiners to clear bill payments**
- ◆ **Easing of food prices inflation is indicative of overall inflation being smoothed in the coming weeks, reducing concerns of tightening in monetary policy. Last week primary food inflation came at 13.88%**
- ◆ **Week ahead, we expect rupee to trade strong against the Greenback, suggesting appreciation. Euro nations' debt issues being resolved is a boon to the financial markets. Increase in FII holding boost confidence in the economy. Technically, we expect Indian rupee to trade lower and break of 45.00 may extend the correction to 44.70 levels**

CROSS	This Week	1 Week ago	% CHANGE
USDINR	45.2400	45.4966	-0.56
EUROINR	60.5228	61.5287	-1.63
GBPINR	67.2325	68.3350	-1.61
JPY (100)	48.8900	50.2700	-2.75
MYR	13.6801	13.7723	-0.67
SGD	32.2303	32.5295	-0.92
ICE DX	80.3620	80.9750	-0.76

INDICES	This Week	1 Week ago	% CHANGE
INR SPOT	45.2400	45.4966	-0.56
MCX-SX	45.2850	45.5375	-0.55
NSE	45.2875	45.5400	-0.55
1 Mth FORWARD	45.1900	45.4934	-0.67
1 Mth NDF	45.4800	45.6400	-0.35
NIFTY	5282.00	5262.80	0.36
SENSEX	17644.76	17578.23	0.38



DOLLAR INDEX

Exchange	Contract	S 2	S 1	Close	R 1	R 2	Recommendation
Dollar Index	SPOT	80.50	81.000	81.676	82.300	83.200	Buy at 81.1 TP 82.3 SL 80.5



TECHNICAL SNAPSHOT

DX traded higher in the last week and moved in the range of 80.523 to 82.240 and settled the week at 81.616 levels. Market has been moving higher for the past two consecutive weeks and suggesting the trend to continue in the next week with an initial lower correction. The supports can be seen at 81.291 levels. If market sustains above the support levels may see prices again moving higher having immediate resistance at 82.240 and then 82.631. Concurrently, market is moving within a trend channel and holding its short term up trend. Hence any intraday corrections may give buying signal to dollar index. Moreover, MACD is trading higher above 0-median line suggesting the on going up trend to remain intact.

OUTLOOK

We expect Dollar Index to trade higher in the coming week having a crucial support at 81.30. If market sustains above the support levels may see prices trading higher and recommend buying on dips.

Dollar Index Spot	THIS WEEK	LAST WEEK	% CHANGE
OPEN	80.8500	79.8160	1.30
LOW	80.5370	79.5070	1.30
HIGH	82.2400	80.8890	1.67
CLOSE	81.6090	80.7240	1.10

INDICES	This Week	1 Week ago	% CHANGE
NASDAQ	2395.13	2374.41	0.87
DJIA	10850.36	10741.98	1.01
S/P 500 INDEX	1166.59	1159.90	0.58



EUR / USD- SPOT

Exchange	Contract	S 2	S1	Close	R 1	R2	Recommendation
EURO /USD	SPOT	1.3100	1.3270	1.3408	1.3570	1.3720	Sideways to lower bias

EUR SPOT	THIS WEEK	LAST WEEK	% CHANGE
OPEN	1.3532	1.3768	-1.71
LOW	1.3268	1.3503	-1.74
HIGH	1.3569	1.3818	-1.80
CLOSE	1.3410	1.3530	-0.89

PARTICULARS	THIS WEEK	LAST WEEK	% CHANGE
MXEM EMU INDEX	90.7200	89.2200	1.68
EUR1M BGN Currency	1.3410	1.3530	-0.89
EUR3M BGN Currency	1.3410	1.3530	-0.89



FUNDAMENTAL REVIEW

- ◆ The **European** currency traded in broad range against the Greenback, sliding to 10-months low mid-week, while recouped the losses as the Greece issue resolves
- ◆ The credit rating cuts fueled more concerns over debt sustainability and growth in some of the Euro zone's smaller countries
- ◆ The industrial orders in the 16 countries fell unexpectedly in January by 2% against prior of 1.80%
- ◆ The two day 'Greece rescue' summit in Brussels suggested a bail-out of the ailing economy could involve a joint effort by Europe and the International Monetary Fund to provide Greece with a €23 billion life line
- ◆ European Central Bank President Jean-Claude Trichet announced the central bank would extend looser collateral rules to Greece. Greece's efforts to restore fiscal soundness are "convincing" and "courageous."

TECHNICAL SNAPSHOT

The euro fell sharply last week by extending the previous week's trend and after making a low of \$1.3256 levels. Initial bias remains on upside for the coming week supported by the closing of previous week's candle which resembles "Hammer" shape (reversal in nature). However, market is witnessing a crucial support at \$1.3397 levels (61.8% retracement of the range \$1.5147-\$1.2315 levels) sustained trade above the same likely to push the pair on upside. The momentum indicator RSI (14) weekly is trading at 0.30 levels near to oversold zone and expected to see a mild higher correction. Conversely, on the higher side resistances are at \$1.3570 then \$1.3730 levels. However, if market fails to breach 1.3560 levels may possible to move in the band of 1.3260-1.3570 levels.

OUTLOOK

As the Greece debt crisis finds way out, helped by IMF and other Euro nations, the currency is expected to regain its strength against the peers and accepted as the second most accepted currency after the US dollar. **Technically, we expect EURO/USD pair to trade sideways to higher bias.**



GBP/USD- SPOT

Exchange	Contract	S 2	S1	Close	R 1	R2	Recommendation
GBP/USD	SPOT	1.4540	1.4780	1.4900	1.5080	1.5230	Sell on break of 1.4780 TP 1.4580 SL 1.4975

GBP SPOT	THIS WEEK	LAST WEEK	% CHANGE
OPEN	1.5033	1.5200	-1.10
LOW	1.4799	1.4979	-1.20
HIGH	1.5113	1.5382	-1.75
CLOSE	1.4898	1.5013	-0.77

PARTICULARS	THIS WEEK	LAST WEEK	% CHANGE
FTSE 100 INDX	5703.020	5650.120	0.936
DAX INDEX	6120.050	5982.430	2.300
GBP1M BGN Curncy	1.490	1.538	-3.151
GBP3M BGN Curncy	1.489	1.501	-0.771



OUTLOOK

The Pound Sterling is still carrying some more weakness as suggested by the dampening data releases. Cable is expected to weaken as against the greenback. **Technically we expect GBP/USD to trade sideways to lower and recommend selling below 1.4780 levels.**

FUNDAMENTAL REVIEW

- ◆ The **British pound** ended the week marginally lower after significant downside to 1.47 levels seen mid-week
- ◆ The CPI for March came at smaller than expected 0.4% monthly rise as the annual inflation slide 0.5%age points to 3.0%.
- ◆ The German consumer confidence held steady at 3.2, as households' view of the economy brightens
- ◆ The UK finance minister Alistair Darling cut his borrowing forecasts and announced a \$3.75 billion package to promote growth before an election
- ◆ As per the IFO survey, German manufacturing industry improved more quickly than expected in March, at 98.1 the overall sentiment index was up 2.9 points from its 3Q
- ◆ German Chancellor Merkel recommend a combination of International Monetary Fund assistance and bilateral aid "as a last resort" for Greece

TECHNICAL SNAPSHOT

The currency GBP traded down by extending its preceding trend and after making a low of \$1.4797 it settled at \$1.4900 levels. Market is moving in the band of \$1.5213-\$1.4780 for the past four weeks which is likely to be continuing for the coming week. However, the next immediate support is at \$1.4780 levels convincing break below the same likely to drop further. The momentum indicator MACD is trading below "0" median line and showing a lower potential. In case, if market fails to breach the support at \$1.4780 levels expected to trade sideways.



USD/JPY-SPOT

Exchange	Contract	S 2	S1	Close	R 1	R2	Recommendation
USD/JPY	SPOT	89	91	92.47	93.80	95.00	Buy above 93.8 TP 96 SL 92.3

JPY SPOT	THIS WEEK	LAST WEEK	% CHANGE
OPEN	90.3200	90.6400	-0.35
LOW	89.8300	89.7600	0.08
HIGH	92.9600	90.9700	2.19
CLOSE	92.5200	90.5400	2.19

PARTICULARS	THIS WEEK	LAST WEEK	% CHANGE
NIKIE INDEX	11001.59	10824.72	1.63
JPY1M BGN Curncy	92.50	90.52	2.19
JPY3M BGN Curncy	0.00	0.00	0.00



OUTLOOK

The Japanese Yen is expected to see some more depreciation ahead as intended by the government to support the export driven economy. **Technically we recommend buying around support levels of 91.70-92.00 for a possible target of 93.00 then 93.50 levels.**

FUNDAMENTAL REVIEW

- ◆ The **Japanese yen** decelerated sharply in the previous week as the exporters repatriate earnings before the financial year closes on 31st March, 2010
- ◆ The Bank of Japan policy board member Hidetoshi Kamezaki supported monetary policy easing. He warned that deflation is likely to linger for some time and affect public perceptions about future price moves
- ◆ Japan's parliament passed a record 92.3 trillion yen (\$1 trillion) budget for the next fiscal year, seeking to underpin a fragile recovery. It was the first budget for Prime Minister Yukio Hatoyama, who came to power in September 2009
- ◆ Japan's exports climbed at the fastest pace in 30 years in February; increasing the likelihood that the economic recovery will be sustained. Exports increased 45.3% from a year earlier. Imports climbed 29.5%, the fastest pace in three years and the trade surplus swelled to 651 billion JPY

TECHNICAL SNAPSHOT

Japanese Yen traded substantially higher in the last week and moved in the range of 89.81 to 92.95 and settled the week at 92.47 levels. Market moved substantially higher as it broke the short term 10, 20 EMA in the weekly chart. However, market is finding a resistance at 93.00 and breach of the same it may test 93.76 (previous high). However, if market fails to breach 93.00, we may see a mild lower correction to 91.70-92.00 levels. A sustain trade above the support levels may push the prices to trade higher.



Economic data releases

Date	Time	Region	Event	Period	Survey	Prior
03/29/2010	14:30	EC	Euro-Zone Indust. Confidence	MAR	-11	-13
03/29/2010	14:30	EC	Euro-Zone Consumer Confidence	MAR F	-17	-17
03/29/2010	14:30	EC	Euro-Zone Economic Confidence	MAR	97.1	95.9
03/29/2010	14:30	EC	Euro-zone Services Confidence	MAR	2	1
03/29/2010	18:00	US	Personal Income	FEB	0.10%	0.10%
03/29/2010	18:00	US	Personal Spending	FEB	0.30%	0.50%
03/29/2010		GE	Consumer Price Index (MoM)	MAR P	0.30%	0.40%
03/30/2010	11:30	GE	Import Price Index (MoM)	FEB	0.40%	1.70%
03/30/2010	19:30	US	Consumer Confidence	MAR	50	46
03/31/2010	13:25	GE	Unemployment Rate (s.a)	MAR	8.20%	8.20%
03/31/2010	14:30	EC	Euro-Zone Unemployment Rate	FEB	10.00%	9.90%
03/31/2010	14:30	EC	Euro-Zone CPI Estimate (YoY)	MAR	1.10%	0.90%
03/31/2010	17:00	IN	Current Account Balance	4Q	--	-\$12.63B
03/31/2010	19:30	US	Factory Orders	FEB	0.50%	1.70%
04/01/2010	11:30	GE	Retail Sales (MoM)	FEB	0.00%	0.00%
04/01/2010	12:00	IN	Primary Articles WPI YoY	20-Mar	--	13.88%
04/01/2010	12:00	IN	Fuel Power Light WPI YoY	20-Mar	--	12.68%
04/01/2010	13:25	GE	PMI Manufacturing	MAR F	59.6	59.6
04/01/2010	13:30	EC	PMI Manufacturing	MAR F	56.3	56.3
04/01/2010		IN	Exports YoY%	FEB	--	11.50%
04/01/2010		IN	Imports YoY%	FEB	--	35.50%
04/01/2010	18:00	US	Initial Jobless Claims	28-Mar	440K	442K
04/01/2010	18:00	US	Continuing Claims	21-Mar	4600K	4648K
04/01/2010	19:30	US	ISM Manufacturing	MAR	57	56.5
04/01/2010	19:30	US	ISM Prices Paid	MAR	67	67
04/01/2010	19:30	US	Construction Spending MoM	FEB	-1.00%	-0.60%
04/02/2010	02:30	US	Total Vehicle Sales	MAR	12.00M	10.36M
04/02/2010	18:00	US	Change in Nonfarm Payrolls	MAR	190K	-36K
04/02/2010	18:00	US	Unemployment Rate	MAR	9.70%	9.70%
04/02/2010	18:00	US	Change in Manufact. Payrolls	MAR	15K	1K



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