



20 September 2010

INR

Exchange	Contract	S 2	S 1	Close	R 1	R 2	Recommendation
NSE	Sep 2010	45.2600	45.5400	45.9275	46.1300	46.3100	Sell at 45.9-46 TP 45.28 SL 46.35
MCX-SX	Sep 2010	45.2600	45.5400	45.9275	46.1300	46.3100	Sell at 45.9-46 TP 45.28 SL 46.35

INDICATORS	LAST	1 week ago	% Change
LIBOR 1Mth	0.2575	0.2573	0.06
LIBOR 3Mth	0.2916	0.2925	-0.32
MIBOR 1Mth	0.6200	0.6200	0.00
MIBOR 3Mth	0.8800	0.8800	0.00
U.S. 5Yr Bond Yield	1.4339	1.5647	-8.36
U.S. 10Yr Bond Yield	2.7372	2.7588	-0.78
India 5Yr Bond Yield	7.7850	7.6850	1.30
India 10Yr Bond Yield	7.9900	7.8920	1.24
Reference rate	45.9700	46.5600	-1.27
CBLO rate	5.9905	4.4962	33.23
Call Rate	6.0500	5.2500	15.24

ASIAN/INR	LAST	1 week ago	% Change
Indian rupee	45.8400	46.4785	-1.37
Chinese Yuan	6.8170	6.8520	-0.51
Hongkong Dollar	5.9030	5.9820	-1.32
Indonesian Rupiah	0.5110	0.5180	-1.35
Myanmar Ringgit	14.7816	14.9425	-1.08
Philippines Peso	1.0381	1.0535	-1.46
Singapore Dollar	34.3056	34.6073	-0.87
S Korean Won	0.3950	0.3981	-0.79
Taiwan Dollar	1.4471	1.4575	-0.71
Thailand Baht	1.4911	1.5053	-0.94

Pair	LAST	1 week ago	% Change
USDINR	45.97	46.56	-1.27
GBPINR	72.17	68.72	5.01
JPYINR 100	53.65	55.65	-3.59
EURINR	60.34	59.11	2.08

CROSS	LAST	1 week ago	% Change
USDINR	45.84	46.48	-1.37
EUROINR	60.05	58.86	2.03
GBPINR	71.67	71.54	0.19
JPY (100) Futures	53.42	55.34	-3.47
MYR	14.78	14.94	-1.08
SGD	34.31	34.61	-0.87

CROSS	LAST	1 week ago	% Change
INR SPOT	45.84	46.48	-1.37
MCX-SX Futures	45.93	46.60	-1.44
NSE Futures	45.93	46.60	-1.44
1 Month NDF	46.05	46.65	-1.29
1 Month FORWA	46.07	46.69	-1.32
NIFTY	5884.95	5640.05	4.34
SENSEX	19594.75	18799.66	4.23



USDINR



TECHNICAL SNAPSHOT:

The spot Indian rupee fell sharply in last week by extending the previous trend. After making a high of 46.4590 it settled lower at 45.8400 levels. For this week view remain downside but a mild higher correction is needed. Immediate resistance is at 46.10 levels sustain below is likely to remain lower for this week. Trading below the weekly short term EMA suggests downside pressure. Moreover, a trend line resistance is seen at 46.44 (trend line) trading below is possible to move lower. Fibonacci principle suggests downside potential as long as market sustains below 46.07 levels. The momentum indicator RSI (14) weekly ended at 0.44 levels and showing a lower potential.

We expect rupee to trade sideways to lower and recommend selling near resistance levels.



DOLLAR INDEX

Exchange	Contract	S 2	S1	Close	R 1	R2	Recommendation
Dollar Index	SPOT	80.01	80.80	81.398	82.01	82.910	Sell at 81.71 TP 80.36 SL 82.56



TECHNICAL SNAPSHOT:

Dollar index ended on negative note in last week by reversing the previous trend. After making a high of 82.701 it settled at 81.398 levels. Closing of the weekly candle renders sideways to lower movements for this week. However, downside potential would be limited as the trend line support is seen at 80.80 levels. Sustained trade above the same is possible to bounce back. Incase market gives a significant break below 80.80 levels would lead the index to test 80.050 levels. Trading below the weekly short term and medium term EMA suggests downside pressure. The resistances are at 81.535 then 82.78 levels.

We expect Dollar index to trade sideways to lower bias.

CROSS	LAST	1 week ago	% Change
NASDAQ	2315.61	2236.20	3.55
DJIA	10607.85	10415.24	1.85
S/P 500 INDEX	1125.59	1104.18	1.94



EUR / USD- SPOT

Exchange	Contract	S 2	S1	Close	R 1	R2	Recommendation
EURO /USD	SPOT	1.2670	1.2910	1.3050	1.3213	1.3420	Buy at 1.2980 TP 1.3200 SL 1.2840

Particulars	This week	Last week	% change
MSCI Europe	82.20	82.59	-0.47%
Euro 1-Month	1.2762	1.2711	0.40%
Euro 3-Month	1.2761	1.2709	0.41%



TECHNICAL SNAPSHOT:

Euro witnessed an uptrend in last week by reversing the previous trend. After making a high of 1.3159 it settled at 1.3050 levels. For this week our view remains higher as long as it holds the support at 1.2647 levels (23.6% projection of 1.5141-1.1877 levels). Immediate resistance on the higher side is at 1.3124 levels. A convincing break above the same is expected to gain till 1.3210 then 1.335 levels. However, on the lower side minor support is at 1.2920 levels sustain above is expected to push the euro on higher side. Incase market breaches the support at 1.2920 is expected to test 2nd support is seen at 1.2780 levels. Supporting to above factors the momentum indicator RSI (14) weekly ended at 0.52 levels and showing a higher potential.

We expect Euro to trade higher and recommend buying near support levels.



GBP/USD- SPOT

Exchange	Contract	S 2	S 1	Close	R 1	R 2	Recommendation
GBP/USD	SPOT	1.5280	1.5490	1.5632	1.5740	1.5880	Sideways to higher bias

CROSS	LAST	1 week ago	% Change
FTSE 100 INDEX	5508.45	5494.16	0.26
DAX INDEX	6209.76	6221.52	-0.19
GBP1M BGN CURNCY	1.56	1.54	1.32
GBP3M BGN CURNCY	1.56	1.54	1.31



TECHNICAL SNAPSHOT:

The British pound traded higher in last week by reversing the previous losses. Although, pound traded higher in last week market is still with holding its bearish trend as the formation of **"Bearish engulfing pattern"** is intact. The market is witnessing a trend line resistance at 1.5750 levels sustain below is possible to extend its downtrend. Only if market breaches the resistance at 1.5750 is possible to extend its momentum till 1.6020. The lower side support is at 1.5510 levels on breach and sustained trade below is expected to remain lower. The momentum indicator RSI (14) weekly is at 0.56 and suggests neutral view. Overall, we expect sterling to trade in the band of 1.5340-1.5750 levels. Either side breakout would confirm the trend.

We expect pound to trade sideways for this week.



USD/JPY-SPOT

Exchange	Contract	S 2	S1	Close	R 1	R2	Recommendation
USD/JPY	SPOT	83.30	84.70	85.86	86.30	88	Buy at 85.45 TP 87 SL 84.5

CROSS	LAST	1 week ago	% Change
NIKKIE INDEX	9626.09	9098.39	5.80
JPY1M BGN CURRENCY	85.82	83.76	2.47
JPY3M BGN CURRENCY	85.75	83.70	2.45



TECHNICAL SNAPSHOT:

The Japanese yen traded extremely volatile in last week. Initially it made a weekly low of 82.88 thereafter it took reversal and settled higher at 85.86 levels. A mild lower correction is expected before resuming its uptrend. As per the fibonacci principle market breached the resistance at 85.74 (23.6% retracement of the range 94.99-82.88 levels. Closing above the same is signaling further upside momentum to be continued for this week. The momentum indicator RSI (14) weekly ended at 0.41 levels and showing a higher potential. The formation of **“falling wedge”** pattern suggests upside view for this week.

We expect yen to trade to higher and recommend buying.



ECONOMIC DATA RELEASES

Date Time		Event		Survey	Prior
09/20/2010 19:30	US	NAHB Housing Market Index	SEP	14	13
09/21/2010 18:00	US	Housing Starts	AUG	550K	546K
09/21/2010 18:00	US	Housing Starts MOM%	AUG	0.70%	1.70%
09/21/2010 18:00	US	Building Permits	AUG	560K	559K
09/21/2010 18:00	US	Building Permits MOM%	AUG	0.20%	-3.10%
09/21/2010 23:45	US	FOMC Rate Decision	21-Sep	0.25%	0.25%
09/22/2010 14:30	EC	Industrial New Orders SA (MoM)	JUL	-1.40%	2.50%
09/22/2010 19:30	US	House Price Index MoM	JUL	-0.10%	-0.30%
09/23/2010 13:00	GE	PMI Manufacturing	SEP A	57.6	58.2
09/23/2010 13:00	GE	PMI Services	SEP A	57.2	57.2
09/23/2010 13:30	EC	PMI Composite	SEP A	55.7	56.2
09/23/2010 13:30	EC	PMI Manufacturing	SEP A	54.5	55.1
09/23/2010 13:30	EC	PMI Services	SEP A	55.5	55.9
09/23/2010 18:00	US	Initial Jobless Claims	18-Sep	450K	450K
09/23/2010 18:00	US	Continuing Claims	11-Sep	4483K	4485K
09/23/2010 19:30	US	Existing Home Sales	AUG	4.10M	3.83M
09/23/2010 19:30	US	Leading Indicators	AUG	0.10%	0.10%
09/23/2010 19:30	US	Existing Home Sales MoM	AUG	7.10%	-27.20%
09/24/2010 11:30	GE	Import Price Index (MoM)	AUG	0.3%	-0.2%
09/24/2010 13:30	GE	IFO - Business Climate	SEP	106.4	106.7
09/24/2010 13:30	GE	IFO - Current Assessment	SEP	108.7	108.2
09/24/2010 13:30	GE	IFO - Expectations	SEP	104	105.2
09/24/2010 18:00	US	Durable Goods Orders	AUG	-1.00%	0.30%
09/24/2010 19:30	US	New Home Sales	AUG	295K	276K
09/24/2010 19:30	US	New Home Sales MoM	AUG	6.90%	-12.40%

To unsubscribe please mail us at currency@karvy.com

Disclaimer

The report contains the opinions of the author that are not to be construed as investment advice. The author, directors and other employees of Karvy, and its affiliates, cannot be held responsible for the accuracy of the information presented herein or for the results of the positions taken based on the opinions expressed above. The above-mentioned opinions are based on the information which is believed to be accurate and no assurance can be given for the accuracy of this information. There is risk of loss in trading in currency derivatives. The author, directors and other employees of Karvy and its affiliates cannot be held responsible for any losses in trading.

Currency derivatives trading involve substantial risk. The valuation of the underlying may fluctuate, and as a result, clients may lose their entire original investment. In no event should the content of this research report be construed as an express or an implied promise, guarantee or implication by, or from, Karvy Stock Broking that you will profit or that losses can, or will be, limited in any manner whatsoever. Past results are no indication of future performance. The information provided in this report is intended solely for informative purposes and is obtained from sources believed to be reliable. Information is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted.

We do not offer any sort of portfolio advisory, portfolio management, or investment advisory services. The reports are only for information purposes and not to be construed as investment advice.