



Currency Weekly



A Weekly Comprehensive Report on Currency

12 March 2011

	Contract	S 2	S 1	Close	R 1	R 2	Recommendation
USDINR	Mar 2011	45.11	45.26	45.3950	45.52	45.77	BUY 45.30/45.35 TP 45.60/45.77 SL 45.15
EURINR	Mar 2011	61.75	62.30	62.50	62.75	63	SELL 62.72/62.78 TP 62.30 SL 63
GBPINR	Mar 2011	71.94	72.47	72.62	73.04	73.30	SELL 72.95/73 TP 72.47/71.95 SL 73.30
JPYINR	Mar 2011	54.50	54.90	55.1250	55.30	55.50	BUY 54.80/54.90 TP 55.30/55.50 SL 54.60

INDICATORS	LAST	1 week ago	% Change
LIBOR 1Mth	0.2550	0.2600	-1.92
LIBOR 3Mth	0.3095	0.3095	0.00
MIBOR 1Mth	0.8900	0.9000	-1.11
MIBOR 3Mth	1.1700	1.1600	0.86
U.S. 5Yr Bond Yield	2.0550	2.1815	-5.80
U.S. 10Yr Bond Yield	3.4025	3.4900	-2.51
India 10Yr Bond Yield	7.9530	7.9420	0.14
Reference rate	45.2100	44.9900	0.49
CBLO rate	4.3312	6.4593	-32.95
Call Rate	6.8800	6.9500	-1.01

ASIAN/INR	LAST	1 week ago	% Change
Indian rupee	45.2425	44.9875	0.57
Chinese Yuan	6.8820	6.8490	0.48
Hongkong Dollar	5.8090	5.7760	0.57
Indonesian Rupiah	0.5152	0.5117	0.68
Myanmar Ringgit	14.8861	14.8523	0.23
Philipines Peso	1.0364	1.0396	-0.31
S Korean Won	0.4025	0.4036	-0.29
Taiwan Dollar	1.5294	1.5316	-0.14
Thailand Baht	1.4897	1.4771	0.86

Pair	LAST	1 week ago	% Change
USDINR	45.21	44.99	0.49
GBPINR	72.55	73.24	-0.95
JPYINR 100	54.33	54.64	-0.57
EURINR	62.43	62.80	-0.59

CROSS	LAST	1 week ago	% Change
USDINR	45.24	44.99	0.57
EUROINR	62.30	62.84	-0.86
GBPINR	72.48	73.10	-0.84
JPY (100) Futures	55.06	54.57	0.90
MYR	14.89	14.85	0.23
SGD	35.69	35.50	0.53

CROSS	LAST	1 week ago	% Change
INR SPOT	45.24	44.99	0.57
MCX-SX Futures	45.40	45.18	0.49
NSE Futures	45.41	45.17	0.54
1 Month NDF	45.45	45.28	0.38
1 Month FORWA	45.53	45.25	0.62
NIFTY	5445.45	5538.75	-1.68
SENSEX	18174.09	18486.45	-1.69



USDINR



TECHNICAL SNAPSHOT:

The rupee closed the week higher at 45.06 levels gaining more than 0.37 % over the prior week. During the week it witnessed a high of 45.30 and a low of 44.87 levels. The rupee continues to face stiff resistance at the 21 weekly exponential moving average which is currently at 45.2990 levels. Only a break of which could propel further up move and a likely short term reversal on the upside. Until those levels are breached we could expect selling pressure to persist at the resistance levels. The weekly charts depict a 'doji' candlestick formation suggesting indecision among the traders. The weekly Average directional index currently is trading at 14.00 levels suggesting a lackluster/sideways trend prevailing in the rupee. The weekly pivotal point is at 45.07 and sustenance above the same should propel a move higher and similarly sustenance below the pivotal point could propel a move to the lower support levels

Resistance is at 45.2990 (21 weekly exponential moving average) and then 45.58(61.8% retracement of the Fibonacci range 46.01-44.87).Support is at 44.85(recent low from which it has had a sharp bounce twice) and then 44.65 levels (Support 2 below the pivotal point)

'We could expect the rupee to trade in a range of 44.90-45.60 levels for the week and recommend buying near the support levels



DOLLAR INDEX

Exchange	Contract	S 2	S1	Close	R 1	R2	Recommendation
Dollar Index	SPOT	76.12	76.40	76.776	77.21	77.57	BUY 76.40 /76.50 TP 77.30/77.60 SL 75.95



TECHNICAL SNAPSHOT:

The dollar index closed the week at 76.776 levels marginally higher from its previous week's close. During the week it tested a high of 77.38 and a low of 76.12 levels. The dollar index still remains in a short term downtrend as long as it does not close above its 21 day exponential moving average level which is presently at 77.2171 levels. Only a break and sustenance of the particular levels could reverse the dollar index from the prevailing downtrend. However on the weekly chart the closing has been higher even though price tested a new low this week compared to the previous week. Hence on any decline the low of this week could act as crucial support for the dollar, breaching which could make new lows.

The weekly relative strength index is currently trading at 39.30 levels suggesting the dollar could be getting closer to the oversold territory.

Resistance is at 77.21 and then 77.61 levels. Support is at 76.12 and then 75.63 levels.

'We could expect the dollar to trade in a range of 76-78.60 levels for the week and recommend buying near the support levels'

CROSS	LAST	1 week ago	% Change
NASDAQ	2715.61	2784.67	-2.48
DJIA	12044.40	12169.88	-1.03
S/P 500 INDEX	1304.28	1321.15	-1.28



EUR / USD- SPOT

Exchange	Contract	S2	S1	Close	R 1	R2	Recommendation
EUR/USD	SPOT	1.3731	1.3789	1.3893	1.4036	1.4132	SIDEWAYS



TECHNICAL SNAPSHOT:

The euro closed the week significantly lower at 1.3893 levels shedding nearly about 0.66% over the week gone by. During the week it tested a high of 1.4036 and a low of 1.3750 levels. The Euro continues to face stiff resistance at the weekly trenline resistance as depicted on the weekly charts. On the daily chart the Euro has retraced close to the 50 % Fibonacci range (1.3426-1.4036) during the week but has managed to bounce back sharply from those levels .The daily Average directional index currently is trading at 19.7285 levels has witnessed a negative crossover of the DMI- (19.60) over DMI+(17.04) .Hence indicating that further correction cannot be ruled out even from the present levels. However the short term uptrend could be still intact as long as the 21 day exponential moving average on the daily chart is not breached (which is at 1.3789 levels). Support is at 1.3730(50% retracement of the Fibonacci range 1.3426-1.4036) and then 1.3659(61.8% retracement of the Fibonacci range 1.3426-1.4036) levels. Resistance is at 1.3893(pivot point for the week as well as the 23.8% retracement level of the swing range (1.3426-1.4036) and then 1.4036(recent high) levels. 'We could expect volatility ahead as price is trading near the resistance levels and if unable to sustain above 1.3893 price could trend lower to find support near the 21 day exponential moving average level of 1.3789'

CROSS	LAST	1 week ago	% Change
FTSE 100 INDEX	5828.67	5990.39	-2.70
DAX INDEX	6981.49	7178.90	-2.75
GBP1M BGN CURNCY	1.61	1.63	-1.15
GBP3M BGN CURNCY	1.61	1.63	-1.15



GBP/USD- SPOT

Exchange	Contract	S 2	S 1	Close	R 1	R 2	Recommendation
GBP/USD	SPOT	1.5850	1.5980	1.6085	1.6135	1.6230	SELL 1.6135 TP 1.5980/1.5850 S L 1.6230



TECHNICAL SNAPSHOT:

The pound closed the week on a bearish note at 1.6085 levels significantly lower from the previous week's close. It shed more than 1.13% over the prior week. Applying the Bollinger band principle it is witnessed that the pound has been facing stiff resistance at the upper level of the Bollinger band level which is currently at 1.6392 levels. On the daily chart the pound has reversed from its existing uptrend as it has breached below the 21 day exponential moving average which is at 1.6149 and going further we could expect it to face stiff resistance at those levels as price currently trades below the 21 day exponential moving average. Supporting the recent fall on the weekly chart it is seen that the pound could be headed towards the lower end of the trend trading channel and could find support at those levels (which is at 1.5850).

Resistance is at 1.6149 and then 1.6230 levels. Support is at 1.5977 and then 1.5850 levels

'We recommend selling the pound near the resistance levels'

CROSS	LAST	1 week ago	% Change
FTSE 100 INDEX	5828.67	5990.39	-2.70
DAX INDEX	6981.49	7178.90	-2.75
GBP1M BGN CURRENCY	1.61	1.63	-1.15
GBP3M BGN CURRENCY	1.61	1.63	-1.15



USD/JPY-SPOT

Exchange	Contract	S 2	S1	Close	R 1	R2	Recommendation
USD/JPY	SPOT	80.56	81.08	81.86	82.45	82.97	SELL 82.45 TP 81.08 SL 83.00



TECHNICAL SNAPSHOT: After trading initially higher for the week the yen closed the week lower at 81.86 levels shedding more than 0.52% over the prior week. During the week it witnessed a high of 83.30 and a low of 81.63 levels. It is witnessed on the weekly chart that as and when the Yen gets closer to the 21 weekly exponential moving average it faces stiff resistance at those levels followed by a sharp down move. It is clearly witnessed on the daily chart that the yen has been trading in a band (ranged between 80 on the lower side and 84 on the higher side) for past many trading sessions and currently the yen is trading closer to lower end of the trading band. The weekly Average directional index is currently trading at 26 levels and also has been witnessing a significant crossover of the DMI-(21.09) over the DMI-(13.84).

Support is at 81.08 and then 80.56 levels. Resistance is at 82.43 and then 82.98 levels.

'We recommend selling the yen near the resistance levels'

CROSS	LAST	1 week ago	% Change
NIKKIE INDEX	10254.43	10693.66	-4.11
JPY1M BGN CURRENCY	81.82	82.30	-0.59
JPY3M BGN CURRENCY	81.78	82.26	-0.59



ECONOMIC DATA RELEASES

Date	Time	Region	Event	Period	Survey	Prior
14/03/2011	12:00	IN	Monthly Wholesale Prices YoY%	FEB	7.80%	8.23%
14/03/2011	15:30	EC	Euro-Zone Ind. Prod. sa (MoM)	JAN	0.30%	-0.10%
15/03/2011	15:30	GE	ZEW Survey (Current Situation)	MAR	86	85.2
15/03/2011	15:30	EC	ZEW Survey (Econ. Sentiment)	MAR	--	29.5
15/03/2011	15:30	GE	ZEW Survey (Econ. Sentiment)	MAR	16	15.7
15/03/2011	18:00	US	Empire Manufacturing	MAR	16.1	15.43
15/03/2011	18:00	US	Import Price Index (MoM)	FEB	0.90%	1.50%
15/03/2011	18:30	US	Total Net TIC Flows	JAN	\$35.0B	\$48.2B
15/03/2011	18:30	US	Net Long-term TIC Flows	JAN	\$55.0B	\$65.9B
15/03/2011	19:30	US	NAHB Housing Market Index	MAR	17	16
15/03/2011	23:45	US	FOMC Rate Decision	15-Mar	0.25%	0.25%
15/03/2011		JN	BOJ Target Rate	15-Mar	0.10%	0.10%
16/03/2011	15:30	EC	Euro-Zone CPI (MoM)	FEB	0.40%	-0.70%
16/03/2011	18:00	US	Housing Starts	FEB	570K	596K
16/03/2011	18:00	US	Building Permits	FEB	570K	562K
17/03/2011	12:00	IN	India REPO Cutoff Yld	17-Mar	6.75%	6.50%
17/03/2011	12:00	IN	Cash Reserve Ratio	17-Mar	6.00%	6.00%
17/03/2011	12:00	IN	Reverse Repo Rate	17-Mar	5.75%	5.50%
17/03/2011	18:00	US	Consumer Price Index (MoM)	FEB	0.40%	0.40%
17/03/2011	18:00	US	Initial Jobless Claims	12-Mar	390K	397K
17/03/2011	18:00	US	Continuing Claims	5-Mar	3750K	3771K
17/03/2011	18:45	US	Industrial Production	FEB	0.60%	-0.10%
17/03/2011	18:45	US	Capacity Utilization	FEB	76.50%	76.10%
17/03/2011	19:30	US	Leading Indicators	FEB	1.00%	0.10%
17/03/2011	19:30	US	Philadelphia Fed.	MAR	29.7	35.9



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