

Ankit Kapoor

Sr. Research Analyst

Mobile: +91-7389934302

Tel: +91-0731-4262702

ankit.kapoor@indianivesh.in**FROM RESEARCH DESK****Global news update for currency**

The rupee fell on Wednesday as dollar demand from oil importers for month-end payments offset a rise in the local share market. Although dollar sales by the central bank pulled it off the day's low.

Technical outlook**USDINR**

If USDINR is able to give closing below 49.50 then we may see further downside in USDINR till 49.20-48.80-48.50.

EURINR

Today, it has support at 65.41---64.52 and resistance at 66.45---66.48.

GBPINR

Today, it has support at 78.41---76.66 and resistance at 80.33---80.40.

JPYINR

Today, it has support at 64.45---64.33. and resistance at 64.71---64.84.

Today's trading strategy

Today's trading strategy; trader can short sell USDINR around 49.80 with strict SL of 50.05 for down side target of 49.20-48.80-48.50.

Global news update for currency

■ Rupee

The rupee fell on Wednesday as dollar demand from oil importers for month-end payments offset a rise in the local share market. Although dollar sales by the central bank pulled it off the day's low.

The RBI chief on Wednesday said intervention by the central bank in the foreign exchange market will depend on the rupee's exchange rate and capital flows.

■ USD

Today U.S. will release GDP Price Index (QoQ) the market expectation of GDP number is 2.0%, while previous 2.6%. U.S. will also release GDP (QoQ). The market expectation for GDP (QoQ) is -3.0% while the previous was -1.8%.

A higher than expected reading should be taken as positive/bullish for the USD, while a lower than expected reading should be taken as negative/bearish for the USD.

The USD was up in the US session until the Fed comments, driving the USD straight down. The Fed said it would hold interest rates until sometime in 2014.

■ EURO

Today Euro Zone will release German Import Prices m/m the market expectation for index is 0.3% while the previous was 0.4%. Euro Zone will also release M3 Money Supply y/y. The market expectation for German Current Assessment is 2.2%, while the previous was 2.0%

A higher than expected reading should be taken as positive/bullish for the EUR, while a lower than expected reading should be taken as negative/bearish for the EUR.

■ GBP

The GBP remained under pressure after industry data showed that U.K. retail sale volumes dropped to the lowest level since March 2009 this month, with retailers expecting volumes to keep declining in February. The report came one day after data showing the U.K. economy contracted in the fourth quarter, underlining concerns over fresh monetary easing by the Bank of England, last week news of a rise in unemployment in the UK was reported.

■ JPY

Today Japan economy will issue National Core CPI y/y the market expectation for index is -0.1%, while the previous was -0.2%.

The yen was also weakened by reports showing an annual trade deficit in 2011, for the first time since 1980. This is the point at which Japan's savings turn around in terms of momentum has long been seen as the time to sell the Japanese yen. Weak demand for Japanese goods and services abroad coupled with a stronger yen were among the problems causing the trade gap.

Technical View on major currency

USDINR



Source: Telequote

After FOMC meet on Wednesday, we have seen sharp correction in USD against all currencies. Dollar index had touched the level of almost 79 in late evening session yesterday. Positive sentiment in equity market, cut in CRR and weakness in Dollar index will continue to support INR in coming days. We expect gap down opening of at least 1% in USDINR in today's trading session. If USDINR is able to give closing below 49.50 then we may see further downside in USDINR till 49.20-48.80-48.50.

EURINR



Source: Telequote

Yesterday, EURINR traded in a very tight range. It was settled with a loss of -0.07% at 65.50. Today, it has support at 65.41---64.52 and resistance at 66.45---66.48. It looks jerky and either side break or close will decide further. Today market remains very volatile So trade safely.

GBPINR



Yesterday, GBPINR traded in a very tight range. It was settled with a gain of 0.38% at 78.68. Today, it has support at 78.41---76.66 and resistance at 80.33---80.40. It looks jerky and either side break or close will decide further. Today market remains very volatile so trade safely.

JPYINR



Yesterday, JPYINR traded in a very negative range. It was settled with a loss of -1% at 64.53. Today, it has support at 64.45---64.33. and resistance at 64.71---64.84. It looks jerky and either side break or close will decide further. Today market remains very volatile so trade safely.

Today's trading strategy

Today's trading strategy; trader can short sell USDINR around 49.80 with strict SL of 50.05 for down side target of 49.20-48.80-48.50.

Technical levels for currency

Currency Pairs	Expiry	LTP	% change	R1	R2	Pivot	S1	S2
USD/INR	27-Feb-12	50.52	0.15	51.94	51.96	50.50	50.36	48.92
EURO/INR	27-Feb-12	65.50	-0.07	66.45	66.48	65.55	65.41	64.52
GBP/INR	27-Feb-12	78.68	0.38	80.33	80.40	78.58	78.41	76.66
JPY/INR	27-Feb-12	64.53	-1	67.59	67.62	64.57	64.42	61.41

Major Economic Data & Events

Time	Currency	Economic Indicators	Forecast	Previous	Possible Impact
5:00am	JPY	Tokyo Core CPI y/y	-0.3%	-0.3%	Moderate
5:00am	JPY	National Core CPI y/y	-0.1%	-0.2%	Positive
5:20am	JPY	Retail Sales y/y	2.3%	-2.2%	Positive
12:30pm	EUR	German Import Prices m/m	0.3%	0.4%	Negative
2:30pm	EUR	M3 Money Supply y/y	2.2%	2.0%	Positive
2:30pm	EUR	Private Loans y/y	2.1%	1.7%	Positive
7:00pm	USD	Advance GDP q/q	3.0%	1.8%	Positive
7:00pm	USD	Advance GDP Price Index q/q	2.0%	2.6%	Negative
8:25pm	USD	Revised UoM Consumer Sentiment	74.2	74.0	Positive

Source : Forex factory * Note: Possible impact reflect positive according to forecast.

Foreign currency

Currency Pairs	LTP	% change
DOLLAR INDEX	79.63	-0.22
EUR/USD	1.3091	0.42
GBP/USD	1.5634	0.07
USD/JPY	77.60	-0.10

* According to 6.00 pm.



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IndiaNivesh Commodities Private Limited

601 & 602, Sukh Sagar, N. S. Patkar Marg, Girgaum Chowpatty, Mumbai 400 007.

Tel: (022) 66188800 / Fax: (022) 66188899

e-mail: comresearch@indianivesh.in | Website: www.indianivesh.in

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