



# Daily Currency Report

## Market Recap

Asian shares and the euro fell today on concerns about global growth driven by higher oil prices and data showing the euro zone may slip into recession fanning fresh worries about Greece's debt restructuring challenges. Weak Japan manufacturing data and Eurozone Services Purchasing Managers' Index shrank unexpectedly reviving fears of the economy sinking into recession and raising doubts over the Greece's ability to revive its economy and push forward much needed fiscal reforms.

Reserve Bank of India has raised the limit for companies to make payment for imports without any documentation to \$5,000 with immediate effect from \$500 earlier this relaxation is part of the import liberalisation. Henceforth banks do not need to obtain any document except a simple letter from the applicant containing basic information like name, the address of the applicant, name and address of the beneficiary, amount to be remitted and purpose of remittance.

Australian and New Zealand dollars nursed losses today as weak Asian stocks and data showing the euro zone may be sliding toward recession dented risk appetite.

People's Bank of China fixed the yuan's mid-point against the dollar at 6.3031 today weaker than the previous fixing level of 6.2988.

Indian Rupee opened firm & made a high of 49.15 due to firm asian currencies, equity market and weak dollar movement. However retracement in equity markets and dollar demand from oil companies led rupee to pare some of its gains. However continued dollar inflows and dollar sales by exporters were seen supporting the rupee. Rupee closed at 49.22 firm than its previous close of 49.3050. It is expected to open stable to weaker today due to weak asian currencies, stable dollar movement and weak global equity market sentiment. It is expected to trade between 49 to 49.50.

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## Technical Level & Trade Recommendation

Currency	S1	S2	Pivot	R1	R2	14DMA	21DMA	50DMA
USD/INR	49.15	49.08	49.23	49.3	49.37	49.22	49.35	51.05
EUR/USD	1.3212	1.3182	1.3239	1.3269	1.3296	1.3197	1.3177	1.3028
GBP/USD	1.5603	1.5542	1.5708	1.5769	1.5874	1.5774	1.5769	1.5621
USD/JPY	79.82	79.36	80.1	80.56	80.84	78.44	77.79	77.51

### Currency wise Summary -22/02/2012

MCX-SX			
Symbol	No. of Contracts Traded	Total Traded Value (Rs. In Crs.)	Open Interest (Qty.)
USDINR	1974440	9,742.40	1054651
EURINR	46124	301.03	21252
GBPINR	12746	99.11	19281
JPYINR	9525	58.68	16559

NSE			
Symbol	No. of Contracts Traded	Total Traded Value (Rs. In Crs.)	Open Interest (Qty.)
USDINR	1877329	9270.09	2403013
EURINR	21839	142.8	30658
GBPINR	12434	96.96	12747
JPYINR	7062	43.56	15777

### Recommendation

- ➔ Rally in USD/INR towards 49.33 is a good selling level with a stop of 49.42 for a target of 49.15.
- ➔ Dip in EUR/USD towards 1.3184 is a good buying level with a stop of 1.3129 for a target of 1.3264.
- ➔ Dip in GBP/USD towards 1.5642/50 is a good buying level with a stop of 1.5602 for a target of 1.5760.
- ➔ Dip in USD/JPY towards 79.61/64 is a good buying level with a stop of 79.34 for a target of 80.39.



TECHNICAL UPDATE

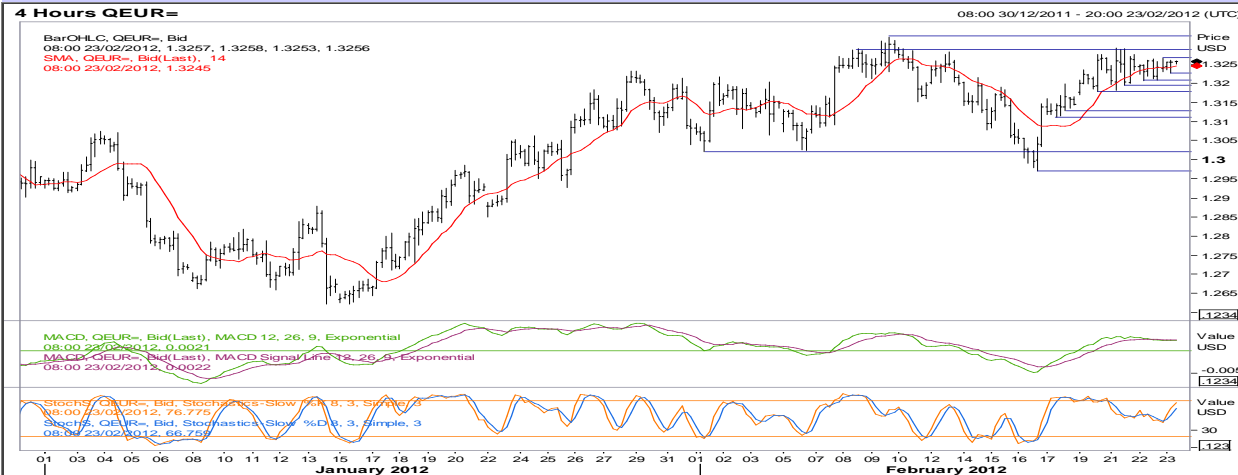
USD/INR ( 49.25 )



**USD/INR:**

Pair closed at 49.22 firm than its previous close of 49.3050. Rupee opened firm and made a high of 49.15 due to firm asian currencies, equity markets and weak dollar movement. However retracement in equity markets and dollar demand from oil companies led rupee to pare some of its intraday gains. Robust dollar inflows and dollar sales by exporter were seen supporting the rupee. Stochastic on Daily charts is trending lower, however MACD is still into buy zone & Stochastic on 4 hourly charts is about to turn lower so a correction can be expected. Near term support is at 49.15 & 49.05 & resistance is at 49.33 & 49.40/47

EUR/USD ( 1.3256 )



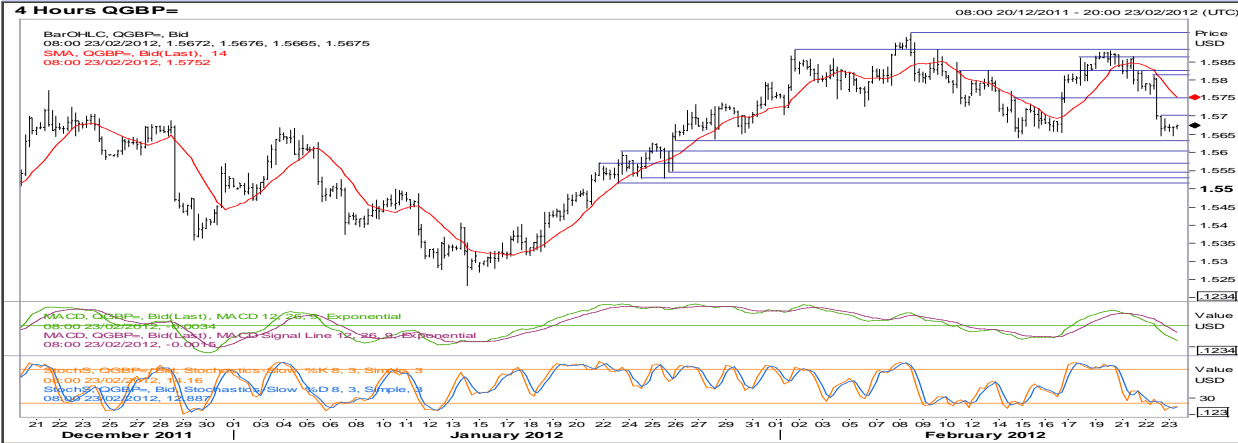
**EUR/USD:**

Euro moved lower from the high of 1.3266 and made a low of 1.3209 before retracing back towards 1.3256. Stochastic on Daily charts is still trending higher and the MACD has also turned into buy zone & Stochastic on 4 hourly is trending higher and nearing overbought zone so a correction can be expected. Resistance is at 1.3264 & 1.3292 and support at 1.3210 & 1.3184. Dip towards 1.3184 will be a good buying level for a target of 1.3264 with a stop of 1.3129.



TECHNICAL UPDATE

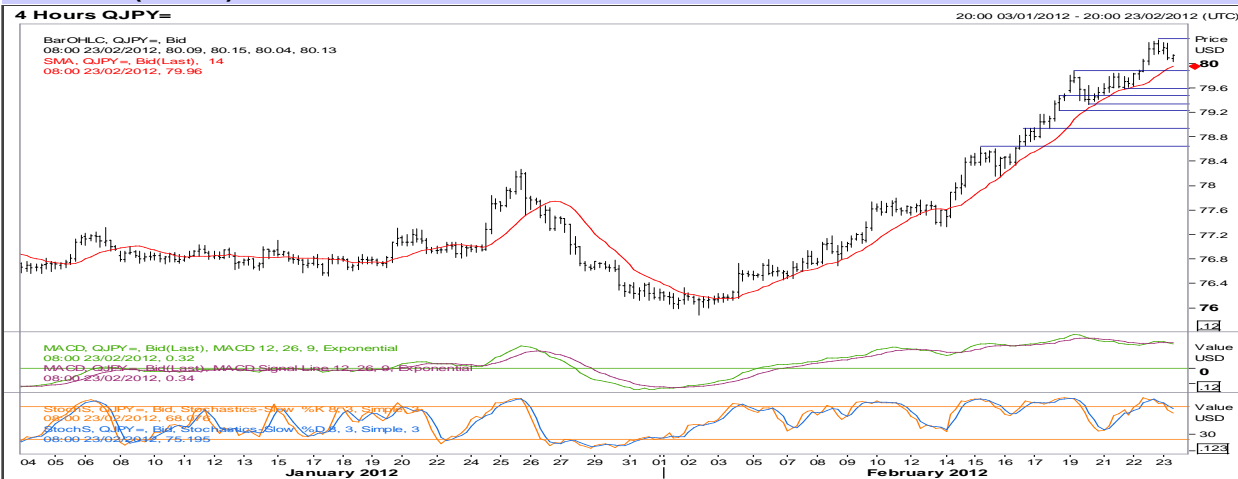
GBP/USD ( 1.5675 )



GBP/USD:

GBP moved lower from the high of 1.5813 and made a low of 1.5647 before retracing back towards 1.5675. Stochastic on Daily charts is trending lower and the MACD is also into sell zone & Stochastic on 4 hourly charts is into oversold zone so a pullback can be expected. Resistance is at 1.5701 & 1.5761 & Support at 1.5642/47 & 1.5602. Dip towards 1.5642/50 will be good buying level for a target of 1.5760 with a stop of 1.5602.

USD/JPY ( 80.13 )



USD/JPY:

Pair moved higher from the low of 79.65 and made a high of 80.39 before retracing back towards 80.13. Stochastic on Daily charts is into overbought zone, however MACD is still into buy zone & Stochastic on 4 hourly charts is also into overbought zone so a correction can be expected. Resistance is at 80.39 & 80.83 and support at 79.61/64 & 79.34. Dip towards 79.61/64 will be a good buying level for a target of 80.39 with a stop of 79.34.



TECHNICAL UPDATE

USD Index ( 79.15 )



**USD Index:**

Index moved higher from the low of 78.99 and made a high of 79.38 before retracing back towards 79.15. Stochastic on Daily charts is trending lower and the MACD is also about to turn into sell zone & Stochastic on 4 hourly charts is also trending lower so a correction can be expected. Resistance is at 79.28/38 & 79.48 and support at 78.99 & 78.80. Rally towards 79.28 will be a good selling level for a target of 78.80 with a stop of 79.50.



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