



# LKP

Since 1948

## ❖ Currency

- USDINR
- EURINR
- GBPINR
- JPYINR

# CURRENCY MARKET- UPDATES



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# CURRENCY - UPDATE

Item	Open	High	Low	Close	% Cng	RSI	Trend
<b>Precious Metals</b>							
Gold \$	1759.5	1759.9	1753.5	1755.1	-0.2	62.8	↓
Silver \$	34.3	34.4	34.1	34.2	-0.2	63.9	↓
<b>Base Metal</b>							
LME Alum.	2255	2258	2243	2247	-0.1	56.8	↓
LME Copper	8450	8472	8421	8430	-0.3	54.8	↓
LME Lead	2119	2119	2106	2106	-0.3	47.6	↓
LME Nickel	20400	20400	20250	20330	-0.3	51.3	↓
LME Zinc	2035	2040	2027	2030	-0.6	49.0	↓
<b>Energy</b>							
Crude \$	105.1	106.3	104.6	106.3	0.9	70.4	↑
Nat. Gas \$	3.06	3.06	2.97	3.036s	-0.04	69.1	↓
<b>Currency</b>							
Dollar Index	79.10	79.23	79.05	79.14	0.1	45.8	↑
Euro	1.3231	1.3249	1.3209	1.3225	-0.1	56.8	↓
GB Pound	1.5777	1.5790	1.5761	1.5772	0.0	55.1	↓
Japan YEN	79.700	79.900	79.630	79.840	0.2	74.4	↑
Rus. Rouble	29.78	29.80	29.75	29.77	0.0	34.8	↓
Singapore	1.257	1.261	1.255	1.258	0.1	44.1	↑
Canadian	0.997	0.999	0.996	0.998	0.2	41.7	↑
Swissfranc	0.912	0.914	0.911	0.913	0.0	40.7	↑
RMB	6.296	6.300	6.296	6.297	0.0	37.8	↑

TIME	ZONE	DATA	Forecast	Previous
8:00am	CNY	HSBC Flash Manufacturing PMI		48.8
12:00pm	EUR	French CPI m/m	-0.001	0.004
1:30pm	EUR	French Flash Manufacturing PMI	49.1	48.5
1:30pm	EUR	French Flash Services PMI	52.3	52.3
2:00pm	EUR	German Flash Manufacturing PMI	51.6	51
2:00pm	EUR	German Flash Services PMI	53.8	53.7
2:30pm	EUR	Flash Manufacturing PMI	49.4	48.8

## Market Update

India's annual consumer price inflation touched 7.65 percent in January, higher than wholesale inflation for the period but still suggesting price pressures are moderating, adding weight to views that the Reserve Bank of India (RBI) has room to cut interest rates. The RBI signaled last month that it was ready to cut rates to stimulate a flagging economy if there was a sustained decline in inflation. The wholesale price index, long India's main inflation gauge, eased to 6.55 percent over the year to January, the slowest rise since November 2009, data showed last week. The new CPI data, released for the first time on Tuesday, also captures price movements in services, giving policymakers and economists a better idea of price pressures at the consumer level. Services account for about 55 percent of India's economy. Since the WPI largely reflects price pressures experienced by producers, reliance on it renders monetary policy less effective in cooling prices at the retail level.

The Indian cash rates closed steady on Friday as banks' demand for funds was high in the first week of the two-week reporting cycle. The four-day cash rate ended at 8.90/9.00 percent, compared with Wednesday's close of 8.95/9.00 percent for two-day loans. The market was closed on Thursday for a local holiday, and will remain shut on Monday for a religious holiday. Traders expect the rates to fall slightly next week, as most banks have already covered their position. "The cash rate is likely to be around 8.80 percent next week, with demand from banks likely to ease," said a trader with a private bank. Banks borrowed 1.66 trillion rupees (\$33.57 billion) from the Reserve Bank of India's repo window on Friday, compared with 1.68 trillion rupees on Wednesday, indicating the extent of the liquidity deficit in the banking system. Demand is typically strong in the first week of the two-week reporting period since most banks prefer to cover the maximum of their reserve needs as soon as possible to reduce exposure to possible volatile rates in the second week.



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# CURRENCY - UPDATE

## USDINR



USDINR yesterday traded with the Negative node and settled -0.04% down at 49.3475. Some support had been seen from the spot market also which closed at 49.31 that is up by 0.08ps. In yesterday's trading session USDINR has touched the low of 49.135 after opening at 49.255, and finally settled at 49.3475. For today's session market is looking to take support at 49.19, a break below could see a test of 49.03 and where as resistance is now likely to be seen at 49.45, a move above could see prices testing 49.55. Spread between USDINR FEB & MAR contracts yesterday ended at 0.36, we have seen yesterday that the USDINR market had traded with a Negative node and settled -0.04% down. Spread yesterday traded in the range of 0.32 - 0.36.

OPEN	HIGH	LOW	CLOSE	%	RE	VOL	OI	R1	R2	R3	PP	S1	S2	S3
49.26	49.39	49.14	49.35	-0.04	-0.02	1,888,834	580309	49.45	49.55	49.71	49.29	49.19	49.04	48.94

### Trading Ideas :

- # USDINR trading range for the day is 49.035-49.549.
- # Rupee lost all of its intraday gains as oil companies and corporate borrowers ramped up buying of dollars
- # One-month offshore non-deliverable forward contracts were at 49.30.
- # Spread between USDINR FEB & MAR contracts yesterday ended at 0.36.
- # RBI Reference rate for USDINR was 49.0835
- # USDINR LOOK TO TRADE IN THE TIGHT RANGE 49.25-49.45 WAIT FOR ENTRY



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# CURRENCY - UPDATE

## EURINR



EURINR yesterday traded with the positive node and settled 0.67% up at 65.2775. Some pressure had been seen from the spot market also which closed at 1.3225 that is down by -0.05ps. In yesterday's trading session EURINR has touched the low of 65.14 after opening at 65.19, and finally settled at 65.2775. For today's session market is looking to take support at 65.15, a break below could see a test of 65.02 and where as resistance is now likely to be seen at 65.4, a move above could see prices testing 65.53. Spread between EURINR FEB & MAR contracts yesterday ended at 0.41, we have seen yesterday that the EURINR market had traded with a positive node and settled 0.67% up. Spread yesterday traded in the range of 0.31 - 0.56.

OPEN	HIGH	LOW	CLOSE	%	RE	VOL	OI	R1	R2	R3	PP	S1	S2	S3
65.19	65.40	65.14	65.28	0.67	0.44	50,384	14181	65.40	65.53	65.66	65.27	65.15	65.02	64.89

### Trading Ideas :

- # EURINR trading range for the day is 65.016-65.526.
- # Euro traded flat as investors' focus turned to the hurdles to implement a bailout package for Greece
- # Euro zone consumer confidence rises in February
- # EURINR looks to test support at 65.15 and resistance is seen at 65.4.
- # RBI Reference rate for EURINR was 65.1705
- # SELL EURINR @ 65.30 SL 65.50 TGT 65.16-64.90



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# CURRENCY - UPDATE

## GBPINR



GBPINR yesterday traded with the negative node and settled -0.27% down at 77.97. Some pressure had been seen from the spot market also which closed at 1.5772 that is down by -0.03ps. In yesterday's trading session GBPINR has touched the low of 77.8375 after opening at 78.21, and finally settled at 77.97. For today's session market is looking to take support at 77.8, a break below could see a test of 77.63 and where as resistance is now likely to be seen at 78.17, a move above could see prices testing 78.38. Spread between GBPINR FEB & MAR contracts yesterday ended at 0.50, we have seen yesterday that the GBPINR market had traded with a negative node and settled -0.27% down. Spread yesterday traded in the range of -0.16 - 0.5.

OPEN	HIGH	LOW	CLOSE	%	RE	VOL	OI	R1	R2	R3	PP	S1	S2	S3
78.21	78.21	77.84	77.97	-0.27	-0.21	9,021	7224	78.18	78.38	78.55	78.01	77.80	77.63	77.43

### Trading Ideas :

- # GBPINR trading range for the day is 77.633-78.379.
- # Sterling was supported and tracked euro after euro zone finance ministers sealed a second Greek bailout deal
- # UK public sector finance data shows encouraging progress
- # GBPINR is taking resistance at 78.17 and support is seen at 77.8.
- # RBI Reference rate for GBPINR was 77.7973
- # SELL GBPINR BELOW 77.90 SL 78.10 TGT 77.65



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# CURRENCY - UPDATE

SPREAD MATRIX FOR USDINR				
MONTH	RATE	FEB	MAR	APR
FEB	49.35		0.355	0.705
MAR	49.70			0.350
APR	50.05			

SPREAD MATRIX FOR EURINR				
MONTH	RATE	FEB	MAR	APR
FEB	65.28		0.407	0.847
MAR	65.69			0.440
APR	66.13			

SPREAD MATRIX FOR GBPINR				
MONTH	RATE	FEB	MAR	APR
FEB	77.97		0.495	0.97
MAR	78.47			0.47
APR	78.94		-2.00	

SPREAD MATRIX FOR JPYINR				
MONTH	RATE	FEB	MAR	APR
FEB	61.85		0.35	0.55
MAR	62.20			0.20
APR	62.40			

MAJOR CURRENCY CROSS RATES						
Last Trade		INR	U.S. \$	Euro €	U.K. £	¥en
1 INR	=	-	0.0203	0.0154	0.0129	1.6215
1 U.S. \$	=	49.24	-	0.7559	0.6339	79.8350
1 Euro €	=	65.13	1.3229	-	0.8385	105.6105
1 U.K. £	=	77.68	1.5777	1.1926	-	125.9517
1 ¥en	=	0.62	0.0125	0.0095	0.0079	-

RBI Reference Rate		
Date	22-Feb-12	21-Feb-12
USD	49.084	49.213
EURO	65.171	64.585
YEN	77.797	77.751
GBP	61.520	62.200



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