

CURRENCY CORNER

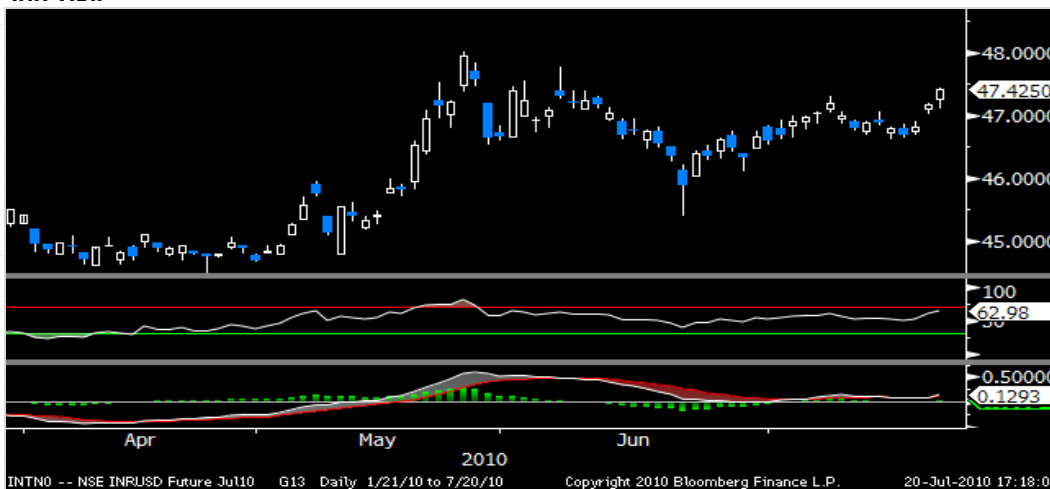
Daily Currency Research

Recap

Indian rupee dropped to fresh six week low against the greenback on Tuesday lured by robust demand of dollars by oil importers and tepid weakness in local stocks. It had finished the day down by 23 paise at 47.35/36 per dollar after hitting 47.3850, its lowest since June 7, half a percent weaker than Monday's close of 47.12/13. Initially strong euro against the dollar and its move up to session's high at \$1.3029 weighed on rupee, thereby pushing the pair EUR/INR to peak out at 61.34 sessions's high, but later in European session poor demand at a Hungarian Treasury bill offer stung on EUR/USD to reverse back some gains below \$1.30, helping INR to gain some ground versus euro which had overcome much of its earlier losses to come down to day's low at 61.07. Meanwhile on sterling side, release of higher than forecast PSNB data weighed on the pound, taking it down to challenge support at \$1.5187, having seen highs earlier in the session of \$1.5310. On the flip side, the dollar was boosted across the board, recovering from Monday's fall against a currency basket, followed by a 0.3 pct rise in dollar index.

KEY	LST	CHG	%CHG
SENSEX	17928.42	-50.28	-0.28
NIFTY	5386.45	-18.45	-0.34
DJIA	10229.96	75.53	0.74
CRUDE	76.15	-0.39	-0.51
GOLD	1177.28	-5.67	-0.48
DXY	82.88	0.37	0.45
AUDINR	41.47	0.55	1.34
CADINR	44.88	0.22	0.48
CHFIR	44.98	0.33	0.73
NZDINR	33.68	0.42	1.26

INR View



Indian rupee is biased to open up against the dollar on likely firmer local stocks amid following another session of gains on Wallstreet, but later in the session will remain hemmed in tight range due to subdued trades in foreign currencies ahead of Fed chairman Bernanke's testimony to Congress late Wednesday. However, NDF activities should be watch for local cues as arbitrage between the onshore and offshore rates could drive the spot rupee down again.

Global Cues

- ✓ *Taiwan's export orders rose 22.48% in June, within expectations but the slowest pace of annual growth since October 2009, amid concerns about the global recovery.*
- ✓ *UK June public finance widened at GBP20.905bln against GBP14.1bln in May. Public sector net debt rises to 63.9% of GDP, highest since records began in March 1993.*
- ✓ *UK CBI manufacturing output grew at the fastest pace in 15-years as total orders in July came at -16 from -23 in June.*
- ✓ *Spain, Ireland and Greece witnessed successful debt auction worth EUR10 billion.*
- ✓ *Italian May industrial orders advanced 3.2% against 0.2% in prior month, while annually orders jumped to 26.6%, the fastest pace since historical series began in 2005.*

Technicals

(JULY)	LST	EXP. OPEN	TODAY'S TREND	TRADE RANGE	S1	S2	R1	R2
USDINR	47.43	47.32	Bearish but pullback can be expected at support	47.25-47.52	47.29	47.15	47.59	47.72
EURINR	61.14	61.00	Bearish	60.70-61.20	60.89	60.60	61.20	61.35
GBPINR	71.91	72.10	Bullish but choppy	71.80-72.24	71.70	71.58	72.30	72.45
JPYINR	54.53	54.20	Bearish	53.90-54.40	54.00	53.86	54.64	54.80

Currency Movement At Nse

(JULY)	OPEN	HIGH	LOW	CLOSE	CHG	O.INT	CHG	VOL	CHG
USDINR	47.28	47.44	47.14	47.43	0.23	637280	7064	1684017	150506
EURINR	61.45	62.10	61.08	61.14	0.04	35112	1223	77218	-17597
GBPINR	72.03	72.18	71.85	71.91	-0.20	8908	-497	3332	1435
JPYINR	54.10	54.63	54.10	54.53	0.45	6773	217	2862	-830

FII's Investment

Type	Gross Pur	Gross Sale	Net Flow
Equity	1877	1673	204
Debt	84	602	-518

RBI Reference Rates

USD	EUR	GBP	JPY
47.10	60.72	72.19	54.20

Foreign Currency Movement Till 5.00 IST

CURR	OPEN	HIGH	LOW	CLOSE	CHG
EUR/USD	1.2942	1.3029	1.2890	1.2903	-0.30
GBP/USD	1.5229	1.5310	1.5166	1.5187	-0.28
USD/JPY	86.70	87.19	86.66	86.88	-0.22
AUD/USD	0.8684	0.8815	0.8668	0.8762	0.90
USD/CAD	1.0549	1.0554	1.0488	1.0545	0.04
USD/CHF	1.0550	1.0557	1.0485	1.0522	0.27
DXY	82.59	82.83	82.18	82.77	0.17

Economic Data Slate

CNTRY	IST	EVENT	Month	Exp.	Prev.
US	2:30	ABC Consumer Conf.	18-Jul	1.20 %	0.90%

CURRENCY RESEARCH TEAM

ANAGRAM CAPITAL LTD.

Bandra Kurla Complex, Bandra(E), Mumbai 400 051.
 Regd. Office: Anagram House, H.L. Commerce Collage - Stadium Road,
 Navrangpura, Ahmedabad - 380 009.
www.anagram.co.in

CONTACTS

Head Research : Avinash Gorakshakar

avinash.gorakshakar@anagram.co.in

+91 22 42198100

Sr.Currency Analyst

Tina Lodha

tina.lodha@anagram.co.in

+91 79 39819897

For any clarification and more information: **Currency Help Desk : 92272585955**

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