

# CURRENCY CORNER

## Daily Currency Research

### Recap

Indian rupee was marginally higher against the U.S dollar later Thursday, as modest fund inflows in the stock market and batch of strong data from Europe and UK helped to boost investor's confidence after Wed Fed's Bernanke poured cold water on run up in riskier assets with a downbeat assessment of US economy. Earlier in Asia, Indian rupee was smacked against the dollar, even hitting above yesterday's low at 47.35 per dollar, as USD/JPY slipped to a one week low of 86.34 amid warnings against an excessive JPY rise from Deputy Finance Minister Ikeda but later moving into Europe rupee made a comeback to close little stronger at 47.12 vs 47.16 last close on yen's sell-off to 86.90 as investors choose to square up their positions in it ahead of stress results on Friday. However a run of above forecast in European PMIs July flash composite at 56.7 vs. 56.0 last and a 55.5 forecast, a forecast busting 3.8% monthly gain for May euro zone industrial orders, and a 0.7% rise in UK June retail sales against 0.4% expected fuelled a risk recovery rally in major currencies. EUR/USD rallied to 1.2876 from 1.2737, GBP/USD to 1.5296 from 1.5151 and USD/CHF sank below 1.04 for the first time since late January.

KEY	LST	CHG	%CHG
SENSEX	18113	135.9	0.76
NIFTY	5442	42.6	0.79
DJIA	10322	201.8	1.99
CRUDE	79.06	-0.24	-0.30
GOLD	1195	-0.70	-0.06
DXY	82.59	-0.04	-0.05
CNYINR	6.9510	-0.01	0.13
AUDINR	41.89	0.47	-1.11
CADINR	45.32	0.36	-0.78
CHFNR	45.21	0.34	-0.75

### INR View



Indian rupee is ready for a gap up opening as risk appetite is kicked higher in the Asian region after the DJIA put on 2.0% Thursday for its biggest one-day jump since July 7, cheered by solid earnings as well as better-than-expected existing home sales data. Further, currencies closely tied to the pace of global growth, such as the AUD & NZD, had gained more than 1% against the dollar on the improved sentiment yesterday. Currently, EUR/USD is trading below \$1.29 mark, while USD/JPY is back at yesterday's level. Currencies could be put on hold until European bank stress test results as the outcome would determine bias for them in the next week.

### Technicals

(JULY)	LST	EXP. OPEN	TODAY'S TREND	TRADE RANGE	S1	S2	R1	R2
USDINR	47.18	46.96	Bearish	46.90-47.12	46.87	46.70	47.22	47.34
EURINR	60.64	60.42	Bullish but sideways	60.30-60.50	60.20	59.90	60.50	60.70
GBPINR	72.07	71.75	Bearish but sideways	71.65-71.95	71.65	71.50	72.12	72.25
JPYINR	54.32	54.20	Bullish	54.25-54.45	54.00	53.86	54.45	54.62

### Currency Movement At Nse

(JULY)	OPEN	HIGH	LOW	CLOSE	CHG	O.INT	CHG	VOL	CHG
USDINR	47.33	47.40	47.12	47.18	-0.05	501092	-76649	1789288	-58883
EURINR	60.44	60.67	60.33	60.64	0.16	22441	-4461	68728	-6071
GBPINR	71.80	72.09	71.68	72.07	0.12	8679	-10	3335	-3329
JPYINR	54.64	54.76	54.25	54.32	0.13	6112	-217	2969	588

### Global Cues

- ✓ **Australian 2Q business confidence** plunged to 3 versus 17 in 1Q as turbulence in European markets and weaker local share prices took a toll, with mining also stung badly by uncertainty over the future of tax arrangements for the industry, a survey showed.
- ✓ **The euro zone's private sector expanded** at a faster pace in July to 56.7 versus 56.0 in June, boosted by an unexpected pickup in both the manufacturing and the services sectors and implying a strong start to third-quarter GDP growth.
- ✓ **French consumer confidence remains at a low level** in July while the business sentiment in France's manufacturing industry improved to a two-year high in July.
- ✓ **U.S. home sales tumble** by 5.1% to an annual rate of 5.37 million in June as buyers shied away from big purchases. Separately, **new unemployment claims rise** more than expected, up by 37,000 to 464,000 in the week ended July 17.

### Flls Investment

Type	Gross Pur	Gross Sale	Net Flow
Equity	2361	2043	319
Debt	853	266	587

### RBI Reference Rates

USD	EUR	GBP	JPY
47.33	60.38	71.75	54.78

## Foreign Currency Movement Till 5.00 IST

CURR	OPEN	HIGH	LOW	CLOSE	CHG
<b>EUR/USD</b>	1.2754	1.2876	1.2737	1.2872	0.93
<b>GBP/USD</b>	1.5164	1.5296	1.5150	1.5280	0.77
<b>USD/JPY</b>	87.05	87.09	86.34	86.79	0.30
<b>AUD/USD</b>	0.8781	0.8899	0.8738	0.8888	1.22
<b>NZD/USD</b>	0.7125	0.7217	0.7097	0.7215	1.28
<b>USD/CAD</b>	1.0491	1.0504	1.0391	1.0400	0.88
<b>USD/CHF</b>	1.0514	1.0516	1.0395	1.0428	0.82
<b>DXY</b>	83.31	83.36	82.62	82.67	-0.75

## Economic Data Slate

CNTRY	IST	EVENT	Month	Exp.	Prev.
FR	12:15	Consumer Spending (YoY)	Jun	0.40%	1.90%
IT	13:00	Consumer Confidence Ind. sa	Jul	- -	104.4
GE	13:30	IFO- Business Climate	JUL	101.5	101.8
GE	13:30	IFO- Expectation	JUL	101.5	102.4
IT	13:30	Retail Sales (YoY)	MAY	0.10%	-0.5%
UK	14:00	GDP (QoQ)	2Q A	0.60%	0.30%
UK	14:00	GDP (YoY)	2Q A	1.10%	-0.20%

## 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](http://www.anagram.co.in)

### CONTACTS

#### Head Research

Avinash Gorakshakar  
[avinash.gorakshakar@anagram.co.in](mailto:avinash.gorakshakar@anagram.co.in)

+91 22 42198100

#### Head ; Currency Research

Tina Lodha  
[tina.lodha@anagram.co.in](mailto:tina.lodha@anagram.co.in)

+91 79 39819897

For any clarification and more information: [Currency Help Desk : 92272585955](tel:92272585955)

### DISCLAIMER

This document has been prepared by Anagram Capital Ltd (Anagram) for use by the recipient only and not for circulation. The information and opinions contained in the document have been compiled from sources believed to be reliable. Anagram does not warrant its accuracy, completeness and correctness. This document is not, and should not be construed as, an offer to sell or solicitation to buy any securities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from us. Anagram and the analyst(s), including his dependant family members may have an interest in the securities recommended above.

To unsubscribe, send a mail to [unsubscribeanagram@gmail.com](mailto:unsubscribeanagram@gmail.com)

Copyright in this document vests exclusively with Anagram Capital Limited