

# CURRENCY CORNER

## Daily Currency Research

### Recap

Indian rupee halved its recent losses against the dollar on Friday, after being spotted at fresh lows around 47.38 on the previous day as exporters offered hefty tranches of dollars in spot market after higher prints of both German IFO and UK 2Q GDP than forecast ahead of the day's European banking stress test results resulted in solid run-up in major currencies especially in euro and pound. The release of stronger than forecast UK Q2 GDP data provided sterling with a boost, allowing pound to extend its recovery above recent highs at \$1.5335 to late European morning highs of \$1.5435. Sterling was seen retaining a firm tone into late European morning trade, aided by decent demand via sterling crosses. While euro jumped against dollar but with a tepid rise on worries over stress test result. Meanwhile, also against the backdrop of solid gains in equities that had touched 52-week high of 18,237.56 earlier in the session and rising speculation over rate hike in the policy meeting next week had bolstered strength in rupee. Finally, the partially convertible Indian rupee ended at a week's high at 46.94 per dollar in late trade Friday from 47.13 per dollar late Thursday.

KEY	LST	CHG	%CHG
SENSEX	18130.98	17.83	0.10
NIFTY	5449.10	7.15	0.13
DJIA	10424.62	102.3	0.99
CRUDE	78.98	-0.32	-0.40
GOLD	1187.8	-7.80	-0.65
DXY	82.44	-0.20	-0.24
CNYINR	6.9240	-0.03	0.39
AUDINR	41.97	0.02	-0.05
CADINR	45.17	-0.09	0.21
CHFIR	44.93	-0.08	0.19

### INR View



Indian rupee is poised to advance amid start of this week as results from stress tests on euro-zone banks brought a degree of calm into Asian markets, supported by Wall street's strength on Friday. Stress test results and some surprisingly positive European economic news represent good news for risk assets and could portend a modest sell-off in traditional safe-havens like U.S. dollar and yen.

### Global Cues

- ✓ *Singapore's private residential property prices rose 5.3% in the second quarter from the previous three months, slowing from the first quarter's 5.6% rise.*
- ✓ *French consumer spending dropped substantially by 1.4% on month in June from May due to lower textile and leather products spending ahead of the sales season.*
- ✓ *German business confidence made the biggest leap of 4.4 points to 106.2 in July since the country's unification, contrary to expectations of a fall to 101.6.*
- ✓ *The U.K. economy grew at its fastest pace in more than four years in Q2, showing growth of 1.1% on quarter and 1.6% on the year between April and June.*
- ✓ *Seven European banks failed tests to prove they could weather a mild recession or bout of severe market turbulence and as a result need to raise more capital.*

### Technicals

(JULY)	LST	EXP. OPEN	TODAY'S TREND	TRADE RANGE	S1	S2	R1	R2
USDINR	46.97	46.87	Bearish but later can be choppy	46.82-47.00	46.75	46.64	47.15	47.24
EURINR	60.73	60.80	Bullish	60.40-60.90	60.56	60.40	60.92	61.10
GBPINR	72.46	72.56	Bullish	72.30-72.68	72.34	72.22	72.68	72.78
JPYINR	53.83	53.50	Bearish	53.30-53.60	53.45	53.22	54.00	54.20

### Currency Movement At Nse

(JULY)	OPEN	HIGH	LOW	CLOSE	CHG	O.INT	CHG	VOL	CHG
USDINR	46.98	47.09	46.92	46.97	-0.21	476107	-18781	1877242	87954
EURINR	60.45	60.88	60.45	60.73	0.10	24559	2311	87179	18451
GBPINR	71.87	72.53	71.80	72.46	0.44	9147	554	3170	-165
JPYINR	54.15	54.23	53.80	53.83	-0.47	5892	-223	1157	-1812

### FII's Investment

Type	Gross Pur	Gross Sale	Net Flow
Equity	2225	2037	188
Debt	1252	1118	134

### RBI Reference Rates

USD	EUR	GBP	100¥
47.00	60.53	71.88	53.97

## Foreign Currency Movement Till 5.00 IST

CURR	OPEN	HIGH	LOW	CLOSE	CHG
<b>EUR/USD</b>	1.2893	1.2966	1.2861	1.2921	0.22
<b>GBP/USD</b>	1.5259	1.5450	1.5251	1.5425	1.09
<b>USD/JPY</b>	86.95	87.24	86.74	87.20	-0.29
<b>AUD/USD</b>	0.8934	0.8971	0.8898	0.8942	0.10
<b>NZD/USD</b>	0.7248	0.7289	0.7226	0.7263	0.22
<b>USD/CAD</b>	1.0371	1.0438	1.0346	1.0395	-0.23
<b>USD/CHF</b>	1.0429	1.0457	1.0408	1.0448	-0.18
<b>DXY</b>	82.54	82.72	82.21	82.44	-0.24

## Economic Data Slate

CNTR	IST	EVENT	MNT	Exp.	Prev.
UK	4:31	Hometrack Housing Survey YoY	Jul	- -	0.10%
JN	12:00	Merchnds Trade Balance Total	10-Jul	¥690.9B	¥324.2B
US	18:00	Chicago Fed Nat Activity Index	JUN	- -	0.21
US	19:30	New Home Sales MoM	JUN	6.70%	-32.70%
US	20:00	Dallas Fed Manf. Activity	JUL	- -	-4.00%
US	18:00	Initial Jobless Claims	17-Jul	460K	429K
US	18:00	Continuing Claims	10-Jul	4590K	4681K
US	19:30	Existing Home Sales	JUN	5.20M	5.66M

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