

CURRENCY CORNER

Daily Currency Research

Recap

The Indian rupee was driven to its highest level in a month to 46.52 against the dollar on Thursday, despite the local stocks got stuck in a narrow range as lower than expected US data raised concerns over US recovery which shored up gains in euro after having flirted for long around \$1.30 level. Indian rupee traded with an upward bias through out the day as exporters sold off dollars heavily across the globe due to month-end fixing on Friday and equity rebalancing inturn applying a broader pressure on dollar. Meanwhile, moving into Europe strong euro zone confidence numbers hitting a 28-month high (sentiment 101.3, business climate 0.660) had propel EUR/USD to a fresh 11 week high of 1.3092 and GBP/USD added almost one cent to a 5 month high of 1.5661. However it then struggled but was pulled back near to \$1.56 levels in the wake of a drop in mortgage approvals and lending and Nationwide reporting a 0.5% drop in July house prices.

Finally in closing hours of the trading session, the partially convertible rupee ended at 46.53/54 per dollar, off an intraday high of 46.52, its strongest since July 2 and about 0.5 percent higher than Wednesday's close of 46.75/76.

KEY	LST	CHG	%CHG
SENSEX	17992.00	34.63	0.19
NIFTY	5408.90	11.35	0.21
DJIA	10467.16	-30.72	-0.29
CRUDE	78.12	-0.24	-0.31
GOLD	1169.3	-1.90	-0.16
DXY	81.62	-0.01	-0.01
CNYINR	6.8680	-0.03	0.47
AUDINR	42.04	0.26	-0.62
CADINR	45.12	0.07	-0.17
CHFNR	44.72	0.46	-1.02

INR View



Indian rupee is likely to open flat to slightly lower after U.S. stocks end down and appreciation in yen and swiss franc -- the two safe haven currencies signal some sense of risk aversion is imminent. However it may reverse course at its earliest and would rise on continued active selling of dollars by local exporters to meet month-end settlements. Also if local shares show resilience to losses on Wall Street overnight, it will also likely give INR a boost. Later in the global day, U.S 2Q GDP is due to release which is tipped at +2.5% annualized, down from +2.7% in 1Q. So if slowing of economic growth confirms it may weight on the dollar and lead to more firmness in EUR/USD.

Global Cues

- ✓ **India's fuel price index** rose 14.29% in the year to July 17 from 14.27% in previous week, while the food price index climbed 9.67% against 12.47% of week ended July 10. The primary articles index rose 14.50% compared with the week-ago reading of 16.48%.
- ✓ **German July jobless change** slipped by 20000, for thirteen consecutive months and seasonally adjusted unemployment rate eased to 7.6% in July from 7.7% recorded in June.
- ✓ **UK nationwide house price index** fell 0.5% in July for their first monthly decline Since February, while annually prices were up 6.6% in the same period compared to 8.7% a year earlier.
- ✓ **Euro-zone economic sentiments** indicator rose to 101.3 in July from 99 in June, while consumer confidence rose -14 from -17 in June. Manufacturing confidence index advanced slightly to -4 from -6 and business climate indicator increased to 0.66 from 0.40.
- ✓ **The US jobless claims for unemployment benefits** falls slightly in the week to July 24, but that follows a big rise the previous

Technicals

(AUG)	LST	EXP. OPEN	COMMENTARY	TRADE RANGE	S1	S2	R1	R2
USDINR	46.75	46.80	Exporters selling may retreat it down to 46.66.	46.66-46.82	46.62	46.44	46.88	46.94
EURINR	61.14	61.00	Expects extension to 60.88 and then would trade choppy	60.88-61.08	60.85	60.70	61.22	61.42
GBPINR	73.03	72.80	Weak	72.70-72.98	72.89	72.70	73.12	73.32
JPYINR	53.74	53.90	Bullish	53.65-54.00	53.50	53.35	54.10	54.30

Currency Movement At Nse

(AUG)	OPEN	HIGH	LOW	CLOSE	CHG	O.INT	CHG	VOL	CHG
USDINR	47.03	47.03	46.73	46.75	-0.22	652394	-12704	1294606	-549165
EURINR	60.96	61.22	60.90	61.14	0.12	24887	1764	62445	-9364
GBPINR	73.21	73.26	72.99	73.03	-0.11	5926	-283	3401	-2170
JPYINR	53.62	53.84	53.50	53.74	0.28	3324	256	3360	-2470

Flls Investment

Type	Gross Pur	Gross Sale	Net Flow
Equity	2826	2173	653
Debt	385	937	-553

RBI Reference Rates

USD	EUR	GBP	100¥
46.63	60.74	72.87	53.39

Foreign Currency Movement Till 5.00 IST

CURR	OPEN	HIGH	LOW	CLOSE	CHG
EUR/USD	1.2995	1.3092	1.2978	1.3085	0.69
GBP/USD	1.5599	1.5663	1.5584	1.5620	0.13
USD/JPY	87.47	87.52	86.74	87.13	0.39
AUD/USD	0.8933	0.9043	0.8906	0.9019	0.97
NZD/USD	0.7273	0.7287	0.7202	0.7264	-0.12
USD/CAD	1.0388	1.0392	1.0303	1.0334	0.52
USD/CHF	1.0567	1.0581	1.0422	1.0423	1.38
DXY	82.09	82.16	81.54	81.62	-0.68

Economic Data Slate

CNTR	IST	EVENT	MNT	Exp.	Prev.
IT	14:30	CPI - EU Harmonized- YoY	JUL P	1.80%	1.50%
EC	14:30	EZ Unemployment Rate	JUN	10.00%	10.00%
EC	14:30	Euro-Zone CPI- YoY	JUL	1.80%	1.40%
IT	15:30	Unemployment Rate	JUN	8.80%	8.70%
US	18:00	GDP QoQ (Annualized)	2Q A	2.50%	2.70%
US	18:00	Personal Consumption	2Q A	2.30%	3.00%
US	19:15	Chicago Purchasing Manager	JUL	56.00	59.10
US	19:25	U. of Michigan Confidence	JUL F	67.5	66.50

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