

| CURRENCY | OUTLOOK FOR THE DAY | TREND |
|----------------|--|-------|
| USDINR SPOT | Prices made a low of 60.55 and achieved our short term target. However we would change our bias to positive as prices have currently given a break above the downtrend channel, indicating short term trend reversal. USDINR prices can test 61.50 followed by 61.75 levels with 61.00 as support. | ↑ |
| MCX USDINR Aug | Post the gap down opening, the strength in USDINR lead EURINR prices at higher levels. However we would change our bias to negative as prices have currently retraced 61.8% of the fall from 82.25 levels supported by a negative divergence on the smaller time frame. | ↑ |
| MCX EURINR Aug | As expected prices has breached the support of 70.05 and moved lower till 69.15. Prices can slightly inch higher and should find resistance near 69.70. EURINR prices can now test 81.35 followed by 81.15 levels with 81.75 as resistance | ↓ |
| MCX GBPINR Aug | Prices have also been moving in an uptrend channel formed from 90.8 levels, indicating a bullish trend. An initial move towards 95.20 followed by 95.45 is likely with 94.65 as support. | ↑ |
| MCX JYPINR Aug | JPYINR prices have taken support near the lower end of the uptrend channel which also happens to be the 50% retracement level of the up move from 61.15 levels. On the smaller time frame, prices have given a break above the downtrend line formed from 63.75 levels. JPYINR prices can now test 63.70 followed by 64.00 levels with 63.15 as support. | ↑ |

CROSS CURRENCY VIEW

| CURRENCY | OUTLOOK FOR THE DAY | TREND |
|----------|--|-------|
| EURUSD | EURUSD prices have given a negative confirmation by giving a break below the neckline of the head and shoulder pattern and as long as 1.335\$ is capped, prices can test 1.3230\$ levels. | ↓ |
| GBPUSD | Mild bearishness suggests that price could stay below 1.550 area and drift towards nearer supports around 1.540/1.535. It has to rise above 1.550 to hint that this drift might not be seen. | ↓ |
| USDJPY | USDJPY prices have taken resistance near the crucial resistance level of 97\$ supported by a negative reversal sign on the RSI. An initial move towards 95.70\$ is likely followed by 95\$ with 97\$ as resistance on closing basis. | ↑ |

TRADE RECOMMENDATION

| CURRENCY | STRATEGY | LEVELS | TARGET | STOP-LOSS |
|----------|----------|--------|--------|-----------|
| USD-INR | Buy | 61.20 | 61.60 | 61.00 |
| EUR-INR | Sell | 81.70 | 81.30 | 81.90 |
| GBP-INR | Buy | 94.80 | 95.20 | 94.60 |
| JPY-INR | Buy | 63.30 | 63.70 | 63.10 |

Strategy for the day:

Buy USDINR Aug@ 61.25 Call in the range of 0.650-0.0.60, Keep a SL 0.20 on the spread strategy with a TGT of 0.45.

MCX-SX

| | HIGH | LOW | CLOSE | %CHG | OI |
|---------|-------|-------|-------|-------|--------|
| USD May | 61.36 | 60.52 | 61.30 | 0.26 | 447100 |
| EUR May | 81.68 | 80.74 | 81.57 | -0.18 | 47734 |
| GBP May | 95.09 | 93.88 | 94.94 | 0.08 | 27965 |
| JPY May | 63.45 | 62.50 | 63.41 | -0.11 | 9888 |

NSE Levels

| | HIGH | LOW | CLOSE | %CHG | OI |
|---------|---------|---------|---------|-------|---------|
| USD May | 61.7675 | 61.2250 | 61.4050 | 0.26 | 713,338 |
| EUR May | 81.69 | 80.73 | 81.58 | -0.18 | 77,117 |
| GBP May | 95.10 | 93.89 | 94.99 | 0.08 | 45,626 |
| JPY May | 63.46 | 62.49 | 63.42 | -0.11 | 12,404 |

CHART - USD-INR



Technical View

Prices made a low of 60.55 and achieved our short term target. However we would change our bias to positive as prices have currently given a break above the downtrend channel, indicating short term trend reversal. USDINR prices can test 61.50 followed by 61.75 levels with 61.00 as support.

Option Data

Calls (Expiry on Expiry 28/08/2013)

| Strike Price | Open Interest | Volume (Contracts) | Implied Volatility | LTP |
|--------------|---------------|--------------------|--------------------|--------|
| 61.00 | 31,946 | 38,136 | 9.89 | 0.8200 |
| 62.00 | 33,979 | 37,234 | 11.38 | 0.3850 |
| 61.50 | 12,662 | 23,007 | 10.91 | 0.5800 |
| 63.00 | 17,138 | 9,160 | 12.07 | 0.1500 |
| 60.00 | 37,731 | 5,157 | 5.43 | 1.5125 |

Puts (Expiry on Expiry 28/08/2013)

| Strike Price | Open Interest | Volume (Contracts) | Implied Volatility | LTP |
|--------------|---------------|--------------------|--------------------|--------|
| 61.00 | 70,664 | 62,896 | 14.40 | 0.4950 |
| 60.00 | 60,499 | 54,372 | 14.45 | 0.2050 |
| 60.50 | 35,224 | 26,882 | 14.50 | 0.3300 |
| 59.50 | 37,802 | 14,607 | 14.95 | 0.1350 |
| 61.50 | 16,954 | 10,561 | 15.17 | 0.7550 |

SPOT Rates RBI Reference Rates

| | HIGH | LOW | CLOSE | %CHG |
|--------------|--------|--------|--------|-------|
| EUR-USD | 1.3344 | 1.3273 | 1.3288 | -0.40 |
| GBP_USD | 1.5522 | 1.5458 | 1.5481 | -0.14 |
| USD-JPY | 96.91 | 95.92 | 96.68 | 0.52 |
| Dollar index | 81.51 | 81.10 | 81.42 | 0.36 |

| | Rate (INR) | Pr Close | %CHG |
|---------|------------|----------|-------|
| USD-INR | 60.8025 | 61.1150 | -0.51 |
| EUR-INR | 81.0345 | 81.5420 | -0.62 |
| GBP-INR | 94.2074 | 94.7710 | -0.59 |
| JPY-INR | 63.0700 | 63.4400 | -0.58 |

EQUITY INDICIES SPOT RATES COMMODITIES

| | CLOSE | PR CLOSE | CHANGE |
|-----------|-------|----------|--------|
| NIFTY | 4986 | 4920 | 1.33 |
| SENSEX | 16417 | 16417 | 0.00 |
| DOW JONES | 15400 | 15426 | -0.16 |
| FTSE | 6577 | 6583 | -0.10 |

| | HIGH | LOW | CLOSE | %CHG |
|--------|---------|---------|---------|------|
| GOLD | 1344.10 | 1315.10 | 1334.25 | 1.54 |
| SILVER | 21.46 | 20.63 | 21.37 | 4.09 |
| COPPER | 3.328 | 3.284 | 3.313 | 0.13 |
| CRUDE | 106.45 | 105.06 | 106.20 | 0.35 |

FUNDAMENTALS:

USD-INR

- The RBI will auction 220 billion Rupees of cash management bills helped India's currency achieve its strongest level against the US Dollar since August 1st.
- The RBI has taken a number of measures to increase the interest rate at the short end and this has contained the depreciation of the Rupee to some extent. However, we believe that we have to do more to contain the current-account deficit to reduce the volatility in the currency market and to stabilize the Rupee
- India will also release factory output, consumer price inflation and manufacturing inflation data aftermarket hours.
- India's central bank announced new measures on Thursday to drain cash from the financial system in a bid to address volatility in currency markets, after a slew of steps announced last month failed to prop up the battered rupee.

Cross-currencies

- The dollar touched the highest in almost a week versus the yen before a report today that may show U.S. retail sales climbed for a fourth month.
- U.K. consumer prices increased 2.8 percent in July from a year earlier, after rising 2.9 percent the previous month
- The pound was little changed versus the dollar and euro as a gauge of U.K. house prices rose to the highest in almost seven years in July, adding to evidence the economic recovery is gathering pace.
- Australia's dollar fell for a second day before U.S. data that may show retail sales climbed, adding to the case for the Federal Reserve to taper monetary stimulus that tends to weaken the greenback.
- The 17-nation bloc is growing again after an unprecedented six quarters of crisis-driven contraction, economists from Barclays Plc to JPMorgan Chase & Co. say such stabilization will restore the region as a prop, if not a powerhouse, for international demand and financial markets.

PIVOT TABLE

| MCX LEVELS | | | | | |
|------------|-------|-------|-------|-------|-------|
| CURRENCY | R2 | R1 | Pivot | S1 | S2 |
| USD-INR | 61.90 | 61.60 | 61.06 | 60.76 | 60.22 |
| EUR-INR | 82.27 | 81.55 | 81.33 | 80.98 | 80.39 |
| GBP-INR | 95.49 | 94.56 | 94.28 | 93.47 | 93.07 |
| JPY-INR | 64.07 | 63.34 | 63.12 | 62.79 | 62.17 |
| EUR-USD | 1.34 | 1.33 | 1.33 | 1.33 | 1.32 |
| GBP-USD | 1.56 | 1.55 | 1.55 | 1.55 | 1.54 |
| USD-JPY | 97.49 | 96.74 | 96.50 | 96.10 | 95.51 |

IMPORTANT DATA TO WATCH

| Date | Country / Currency | Event | IST | Actual | Cons. | Previous | Effect |
|--------|--------------------|--------------------------------|-------|---------|---------|----------|---------|
| 12-Aug | JPY | Prelim Machine Tool Orders y/y | 11:30 | -12.1% | | -12.4% | Bullish |
| | CHF | Retail Sales y/y | 12:45 | 2.3% | 1.9% | 1.5% | Bullish |
| | USD | Mortgage Delinquencies | | | | | |
| | USD | Federal Budget Balance | 23:30 | -97.6bn | -95.3bn | 116.5bn | Bearish |
| 13-Aug | USD | Core Retail Sales m/m | 18:00 | | 0.4% | 0.0% | |
| | USD | Retail Sales m/m | 18:00 | | 0.2% | 0.4% | |
| | USD | Import Prices m/m | 18:00 | | 0.9% | -0.2% | |
| | USD | Business Inventories m/m | 19:30 | | 0.3% | 0.1% | |

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