

## DOLLAR RUPEE VIEW



The rupee opened the week on a positive note at 45.43 levels against dollar and is expected to continue its rally during the day. This was merely due to tracking higher regional share markets on the back of positive Budget and the dollar's weakness against major currencies overseas as the Greece issue looks to be fading out.

Rupee had closed at 45.60/61 per dollar on Friday. The rupee gained 1.1 per cent last week, its best since a 1.9-per cent rise in the week to Jan 8. The index of the dollar against six major currencies was down 0.3 per cent.

The Dow was up by 1.17%, the NASDAQ was up by 1.48% and the S&P 500 was up by 1.40% on Friday. Asian markets are trading up, with HangSeng up by 1.92%, Japan's Nikkei was also up by 1.85%, and where as Nifty is also trading higher by 44 points (5132 levels) and it is expected to trade strong today.

The 10-year bond yield could test 8 per cent on Monday as a rise in US yields and continuing concerns about the local borrowing plans for next year are likely to weigh. The concerns about heavy pipeline of supplies in the next fiscal year beginning April 1 would also weigh on market sentiment.

Gold is little changed currently at \$1133 levels after it tested the high of \$1141 when the dollar weakened overseas. Crude oil has strengthened to 81.91 levels currently as ease in Greece's deficit concerns boosted price. The Commodity index futures (CRB index) are up by 2.13% due to weakening dollar overseas

*View: - The rupee has been trading strong post the strong release of Budget-2010. The inflows in local market may continue to boost the rupee. However, currently it is trading at the support zone of 45.50 levels which if held can take the rupee back to 46 levels again. Importers may take covers for the short term around these levels and exporters book near 46 levels and above. (USDINR 45.49) INR bullish*

## TECHNICAL COMMENTS

## Euro

The EURUSD bias remains neutral in nearest term and the bearish scenario remains intact. Immediate resistance comes between 1.3750 – 1.3800 (61.8% retracement levels with 200 days Weekly EMA). Initiate cautious shorts near these levels with tight stoploss of 1.3840 levels. (EURUSD - 1.3683). [Neutral but Oversold.](#)

## Sterling

GBPUSD is currently trading at 1.5174 levels and touched high of 1.5186 today. Immediate strong resistance comes near 1.5350 levels (21 days Daily Ema). Below 1.5350 pressures should remain downside. (GBPUSD 1.5174). [Neutral but Oversold.](#)

## Yen

USDJPY is currently trading at 90.45 levels. Immediate support comes near 90.16 levels (55 days and 50% retracement). Importers in Yen may look at covers on dips. Overall the trend remains strong for yen below 93 levels. (USDJPY- 90.45). [Bullish.](#)

## Aud

AUDUSD is currently trading at 0.9103 levels. Correction seems to be over for Australian dollar. Buying on dips remains the strategy. Further bullishness till 0.9250 levels is expected again. (AUDUSD - 0.9103) [Bullish.](#)

## Gold

Gold is currently trading at \$1134 levels. Gold moved up taking support from \$1087 levels and holding above \$1100 levels. Buying at dips close to \$1100-10 levels remains the strategy. (Gold-\$1134). [Rangebound.](#)

## Dollar Index

Dollar Index is currently trading at 80.17 levels. Only and only if dollar index continuously trades above 80 levels then could see further upside corrections till 82 levels. Buying on dips on the index remains the strategy. (Dollar Index – 80.17). [Bullish above 80 levels.](#)

## FUNDAMENTAL COMMENTS

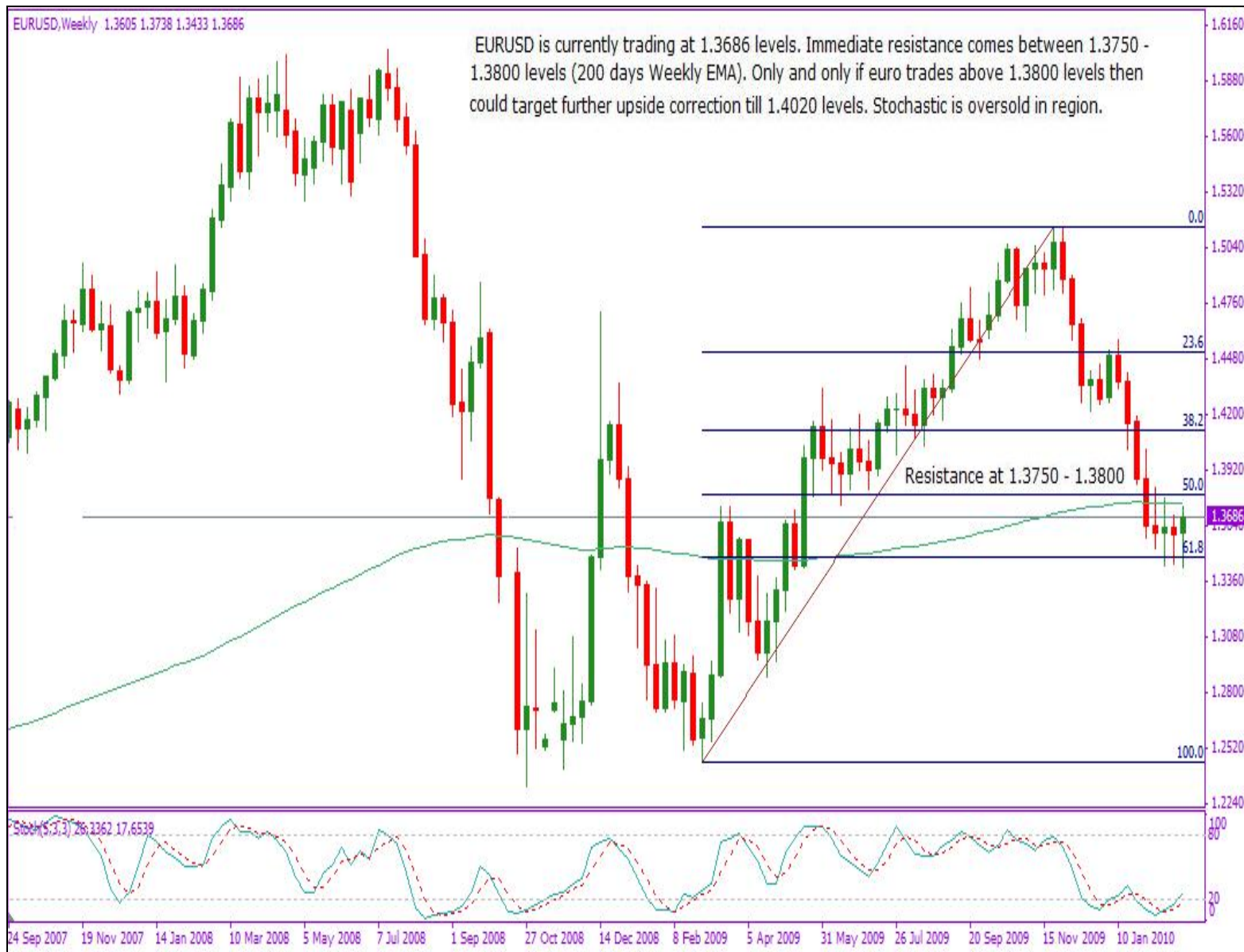


- Euro** The Euro tested the lower 1.35 region immediately after the Jobs figures were released before rebounding in the US close on EUR/JPY buying and a strong rally in Oil. January Factory orders jumped 1.7% vs. 1.4% forecast. Overall the EUR/USD traded with a low of 1.3529 and a high of 1.3629 before closing at 1.3624. Looking ahead, March Sentix forecast at -9 vs. -8.2 previously.
- Sterling** The Sterling like the Euro tested the downside after the NFP figures although support under the 1.5000 proved solid and GBP/JPY soared. EUR/GBP tested the Key 0.9000 level and closed just below the figure but the GBP outlook is quite uncertain as ongoing hung elections fears remain in play. Overall the GBP/USD traded with a low of 1.4994 and a high of 1.5166 before closing the day at 1.5144 in the New York session. Looking ahead, MPC member Barker speaks.
- Yen** The Japanese Yen was the major loser in the post NFP rally as the market heavily long the Yen liquidated positions. GBP/JPY led the crosses higher as USD/JPY reclaimed the key Y90 level and US stock markets rose to fresh year highs. Overall the USDJPY traded with a low of 88.99 and a high of 90.58 before closing the day around 90.30 in the New York session. Looking ahead, January Current account forecast at 1.25T vs. 1.1T previously.
- Aud** The Australian Dollar did well in the 'risk on' environment but stalled at the 0.9080 resistance area as AUD/NZD selling capped the Aussies gains. NZD/USD outperformed the major currencies gaining 3% against the Yen. Overall the AUD/USD traded with a low of 0.8986 and a high of 0.9092 before closing the US session at 0.9080.
- Oil & Gold** Oil & Gold kept inside Thursday's range tracking the USD strength and weakness. Some analysts are uncertain as to whether a rebound in the Euro on calming Greece fears will play out well for gold as recent gains have been attributed in part to sovereign risk. Overall trading with a low of USD\$1127 and high of USD\$1141 before ending the New York session at USD\$1135 an ounce. Crude Oil rallied with improvement in global economic outlook. Crude Oil was up +\$1.58 ending the New York session at \$81.70.

## TECHNICAL CHARTS



### EURUSD Chart – Weekly



Support Levels		Resistance Levels		Remarks
S2	S1	R1	R2	
1.3250	1.3440	1.3750	1.4020	EURUSD- Initiate shorts between 1.3750 – 1.3800 levels.

# GLOBAL MARKET DATA

USD/INR			BID	ASK		INDEX	CHANGE	Commodities	
BID	45.48	C/SPOT	45.4687	45.4783	BSE	17152.00	158.00	OIL(Nym 1M)	\$80.72
ASK	45.49	T/SPOT	45.48	45.494	NSE	5134.00	46.00	GOLD \$/Oz	\$1,134.57
OPEN	45.43	O/N MIBOR	3.3	3.3	NIKKIE	10566.00	122.00	SILVER \$/OZ	\$17.26
HIGH	45.51	1m MIFOR	4.09	4.09	DOW	10444.14	47.38	HangSeng	21186.00
LOW	45.41	6M MIFOR	3.45	3.45	NASDAQ	2292.31	11.63	Dollar Index (DI)	80.17

USD/INR FORWARD PREMIUM										
Month-end					LIBOR					
	Export	%	Import	%		O/N	1M	3M	6M	12M
Mar-10	0.08	2.74	0.09	3.10	USD	0.2	0.3	0.33	0.55	0.85
Apr-10	0.21	3.51	0.22	3.68	GBP	0.5031	0.62	0.7	0.95	1.35
May-10	0.32	3.08	0.33	3.18	EURO	0.3	0.45	0.6	0.9	1.25
Jun-10	0.43	2.94	0.44	3.01	YEN	-	0.15	0.25	0.4	0.6
Jul-10	0.54	3.00	0.55	3.06	CHF	-	0.28	0.47	0.68	0.85
Aug-10	0.64	2.95	0.65	3.00	Major Currencies - Against INR			USD/INR -NDF		
Sep-10	0.75	2.92	0.76	2.96	GBP	68.99			Bid	Ask
Oct-10	0.85	2.89	0.86	2.93	EURO	62.26		Spot	45.48	45.51
Nov-10	0.95	2.87	0.96	2.90	YEN(100)	50.29		1W	45.47	45.52
Dec-10	1.06	2.86	1.07	2.89	AUD	41.49		1M	45.47	45.57
Jan-11	1.16	2.83	1.17	2.86	CAD	44.29		3M	45.60	45.70
Feb-11	1.26	2.81	1.27	2.84	CHF	42.53				
		1MONTH	6MONTH	12MONTH			Repo Rate			4.75%
At the Money Strike		45.5	45.5	45.5			Reserve Repo Rate			3.25%
Call		0.4714	1.4395	2.2112			CRR Ratio			5.50%
Put		0.3709	0.79	0.9792			SLR Ratio			25.00%

USD/INR -Currency Future NSE								
TERM	BEST BID		BEST ASK		SPREAD	LTP	Volume	OI
29-03-2010	1765	45.5625	670	45.565	0.0025	45.565	551353	462915
28-04-2010	570	45.69	303	45.6975	0.0075	45.6975	21950	234570
27-05-2010	404	45.78	148	45.7925	0.0125	45.795	150	11768

Major Cross Currencies against US Dollar -Spot & Forwards								
Currency	Bid	Ask	1 Month	2 Month	3 Month	6 Month	9 Month	12 Month
GBP	1.5166	1.5167	1.5164	1.5160	1.5157	1.5148	1.5139	1.5128
EURO	1.3683	1.3686	1.3686	1.3685	1.3684	1.3678	1.3671	1.3667
JPY	90.43	90.45	90.44	90.43	90.41	90.36	90.27	90.12
CHF	1.0692	1.0696	1.0694	1.0692	1.0690	1.0683	1.0675	1.0662
AUD	0.9111	0.912	0.9089	0.9061	0.9030	0.8933	0.8836	0.8742
CAD	1.0266	1.0271	1.0271	1.0271	1.0270	1.0266	1.0254	1.0238

Interest Rate of Major Currencies				Important Economic Data of the Day			
Currency	Rate	Currency	Rate	IST Time	Currency	Data	Expected
USD	0.25%	AUD	4.00%	12:15	CHF	Unemployment Rate Feb	Neutral
GBP	0.50%	CAD	0.25%	13:45	EUR	Retail Sales (Real) Y/Y Jan	Weak
EURO	1.00%	CHF	0.25%	15:00	EUR	Eurozone Sentix Investor Confidence	Weak
YEN	0.10%	NZD	2.50%	16:30	EUR	German Industrial Production M/M Ja	Better

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