



Daily Forex Report as on Monday, December 27, 2010

MCX-SX Currency Table

Product	Exp. Date	Open	High	Low	Close	Cng in Re.	O.Int	Volume	SMA(50)	RSI(18)
Spot	-	45.08	45.25	44.90	45.09	0.0120	-	-	44.95	50.39
USD-INR	29-Dec-10	45.16	45.25	45.13	45.10	-0.0375	490070	111496	45.27	46.43
EUR-INR	29-Dec-10	59.11	59.11	59.11	59.23	-0.0500	25565	1469	61.03	35.63
JPY-INR	29-Dec-10	54.51	54.47	54.34	54.36	-0.1550	5863	497	54.56	50.88
GBP-INR	29-Dec-10	69.65	69.68	0.00	69.56	-0.1250	11127	346	71.26	34.99

Market Update

Name	Rate	% Change
SENSEX	20156	0.44
NIFTY	6035.7	0.43
DOW J	11573	0.12
NASDAQ	2230	0.00
NYSE	7922	-0.12

Market Update

Name	Rate	% Change
IND	45.090	0.03
EURO	1.3124	0.08
YEN	82.900	0
GBP	1.5417	-0.14
CHF	0.9611	-0.14

RBI Reference Rate

Date	24/12/2010	23/12/2010
USD	45.2300	45.020
EURO	59.3400	59.120
YEN	54.5000	54.140
GBP	69.9256	69.421

MARKET COMMENT

RUPEE UPDATE

Rupee ended higher against the US currency on dollar selling by corporate and banks amid uncertainty over the greenback in the overseas markets. Dealers were reluctant to make large-scale transactions due to macro-economic worries caused by a rise in crude oil prices to above USD 91 a barrel level. The partially convertible rupee was at 45.12 per dollar, off its low of 45.25, and above its close of 45.16 on Thursday, when it had risen as much as 44.9750, its strongest since Dec. 14.

EURO UPDATE

Euro posted the third weekly decline in a row against the Dollar but managed to close above 1.3100. On Thursday it fell to 1.3054, reaching the lowest price since December 1 but it was rejected and rose back on top of 1.3100 to end a low volume week around 1.3110/20, 60 pips below last Friday's close. To the upside the pair found resistance at 1.3200 and it was unable to reach levels above.



USDINR FOR THE DAY

Rupee ended higher against the US currency on dollar selling by corporate and banks amid uncertainty over the greenback in the overseas markets. Dealers were reluctant to make large-scale transactions due to macro-economic worries caused by a rise in crude oil prices to above USD 91 a barrel level. The partially convertible rupee was at 45.12 per dollar, off its low of 45.25, and above its close of 45.16 on Thursday, when it had risen as much as 44.9750, its strongest since Dec. 14. Now support for the rupee is seen at 45.07 and below could see a important support till 45.04. Resistance is now likely to be seen at 45.19, a move above this level can show some good pull back from the resistance at 45.28.

ACTION FOR THE DAY

SELL USDINR @ 45.25 SL 45.34 TGT 45.18-45.10. MCXSX



EURINR FOR THE DAY

EURINR yesterday traded with the negative node and settled -0.08% down at 59.23. Some support had been seen from the spot market also which closed at 1.3124 that is up by 0.08ps. In yesterday's trading session EURINR has touched the low of 59.11 after opening at 59.11, and finally settled at 59.23. For today's session market is looking to take support at 59.19, a break below could see a test of 59.15 and where as resistance is now likely to be seen at 59.19, a move above could see prices testing 59.15.

ACTION FOR THE DAY

BUY EURUSD @ 59.25 SL 59.00 TGT 59.40-59.60.

ECONOMICAL DATA

DAY	TIME	CURRENCY	DATA	Forecast	Previous
NO DATA					
Mon					

NEWS YOU CAN USE

Meanwhile, a gauge of New Zealand Business Confidence surged to 50.1 – the highest reading in nearly eleven years – according to a survey from the National Bank of New Zealand .

Euro Dollar Lacks Conviction as Sentiment, Data and Testimony Pare Safe Haven Demand – Euro: Markets May not be Able to Ignore Greece’s Troubles for Much Longer – Japanese Yen Struggling to Maintain Fundamental and Risk Ties as Conditions Deteriorate

Indian cash rates continued to trade firm on Friday tracking steady demand from cash-strapped banks but expectations of some government spending and central bank's repo auction provided some support. Cash rates have been in a tight range for sometime now and is likely to be like this till the time liquidity comes back into the system. Government spending may happen, but such huge spending so as to ease cash rates looks unlikely. Reserve Bank of India deputy governor Subir Gokarn said that while call rates were higher than the central bank's interest rate corridor, they were stable, indicating there was no panic over liquidity.



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