

MCX 20 - 06 - 12	Open	High	Low	Close	Volume
USDINR – June 12	55.96	56.24	55.87	56.20	1617672
EURINR - June 12	70.80	71.38	70.80	71.29	37280
GBPINR - June 12	87.80	88.45	87.80	88.34	15509
JPYINR – June 12	70.92	71.15	70.77	71.10	12360

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Commentary

- ❖ The INR discounted most of the Fed's action which disappointed the market with just a meager verbal action. The Fed though extended the Operation Twist by six months but ruled out additional easing as of now and will do only, when there is a slowdown in economy.
- ❖ The dollar index has formed a strong base at the 81.20 levels and shall witness a rebound towards the 82.00 levels which shall witness the INR weakening towards its historical lows. A rise above the same shall target the 57.50 levels initially.
- ❖ The global markets shall ease from the present levels in the absence of fresh liquidity from Fed and other central banks. The central banks are holding back their fire power may be for some better time so that the liquidity power can be maximized.
- ❖ The Retail sales numbers from UK shall set the tone for the upcoming BoE meet and also efforts of the EU to keep the borrowing costs lower for the debt ridden nations
- ❖ Crude oil prices tanked in on a larger build in inventories whereas the expectations were for a draw down. Oil prices also eased after the Fed dashed the QE3 hopes. The \$80 levels has been forming a base and a move below the same shall target the \$ 78 – 76 levels
- ❖ Gold prices also eased in the absence of fresh liquidity from Fed. The rise in dollar index from the lows also weighed on the price of yellow metal which has been expecting liquidity from the central banks.
- ❖ The Asian markets are flat to lower and with disappointment from Fed there is no larger room left for the global markets and the Indian markets to edge higher from here. The markets shall either make their way lower or consolidate at

Global Indices*

Equities	Close/Last	Change
BSE SENSEX	16920	+60
NSE NIFTY	5120	+17
DOW	12824	-13
NASDAQ	2930	+1
FTSE	5622	+36
NIKKEI *	8722	+75

Forex Crosses

Crosses	Spot at 5 pm	Spot at 8 am
USDINR	56.14	-
EURUSD	1.2707	1.2664
GBPUSD	1.5738	1.5680
USDJPY	78.98	79.59
AUDUSD	1.0204	1.0163
USDCHF	0.9447	0.9480
DXY	81.29	81.61

Commodities *

Commodities	Last Trade
Oil	\$ 80.40
Gold	\$ 1599
Silver	\$ 27.83

* Quotes mentioned are as on 8.30 IST.

Pivot Table

	Pivot	1 st Support	S2	S3	1 st Resistance	R2	R3
USD/INR June 12	56.10	55.97	55.73	55.60	56.34	56.47	56.71
EUR/INR June 12	71.16	70.93	70.58	70.35	71.51	71.74	72.09
GBP/INR June 12	88.20	87.94	87.55	87.29	88.59	88.85	89.24
JPY/INR June 12	71.01	70.86	70.63	70.48	71.24	71.39	71.62

Strategy

USD/INR June 12	Buy at 56.10 stop 55.90 Target 56.49 – 56.60
EUR/INR June 12	Buy at 70.90 stop 70.50 Target 71.50 – 71.60
GBP/INR June 12	Sell at 88.60 stop 88.90 Target 88.00 – 87.80
JPY/INR June 12	Buy at 70.50 stop 70.00 Target 71.30 – 71.50

Economic Data Releases

Data Releases For Today	Forecast	Previous	Implications
GBP Retail Sales m/m	1.1%	-2.3%	Actual > Forecast = Good for currency
CAD Core Retail Sales m/m	0.2%	0.1%	Actual > Forecast = Good for currency.
USD Unemployment Claims	381K	386K	Actual < Forecast = Good for currency
USD Existing Home Sales	4.59M	4.62M	More hawkish than expected = Good for currency
USD Philly Fed Manufacturing Index	1.3	-5.8	More hawkish than expected = Good for currency

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