



## TECHNICAL OUTLOOK

Key levels	USD/INR Spot	USD/INR Futures	EUR/INR Spot	EUR/INR Futures
<b>Resistance 2</b>	45.88	46.12	62.80	63.10
<b>Resistance 1</b>	45.78	46.02	62.60	62.90
<b>Support 1</b>	45.45	45.69	62.30	62.60
<b>Support 2</b>	45.30	45.54	62.00	62.30
<b>Outlook</b>	<b>Bullish</b>	<b>Bullish</b>	<b>Bullish</b>	<b>Bullish</b>

### Recommendations for futures:

**USD/INR:** Traders are suggested to buy USD/INR February futures around 45.75 levels while sell near 46.00 levels for intraday trading.

**EUR/INR:** Traders are suggested to buy EUR/INR February futures around 62.65 levels while sell near 62.95 levels for intraday trading.

### Day gone by:

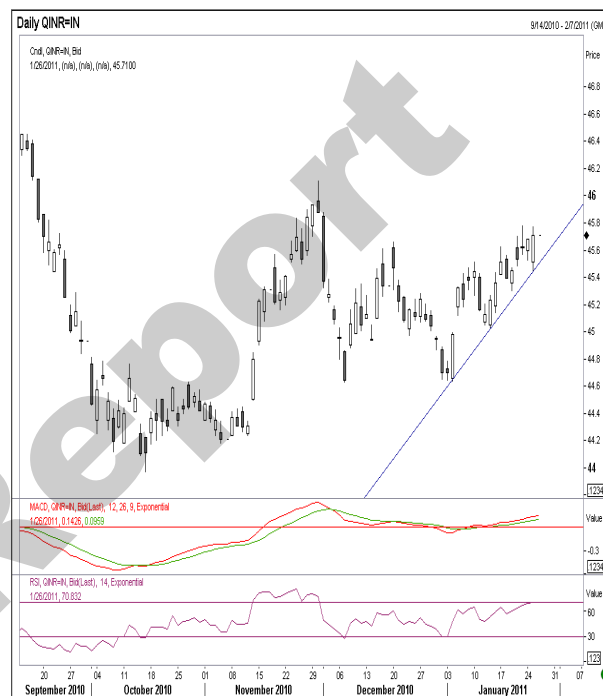
INR spot opened the day on a firm note at 45.5100 levels and initially hit a high of 45.4550 levels tracking the positive local stock market and gains in Euro. However, post release of the RBI credit policy, INR spot lost its shine and weakened to 45.77 levels on account of sharp downfall in local equity. INR spot ended the day at 45.7100 levels. RBI hikes Repo & Reverse repo rate by 25 bps to 6.50% & 5.50% respectively & leaves CRR unchanged at 6.00%, extends SLR leeway of 1.00% till April 8, 2011.

### Day ahead:

INR spot is likely to open slightly firm around 45.65 levels and trade in a range between 45.50-45.80 levels. Month end dollar demand from oil refiners would keep the INR spot biddish while softer USD on back of grim U.S. economic outlook by Fed and bullish equity could stem INR spot's sharp losses. Technically, USD/INR spot has formed a big bullish candle and has perfectly taken the trendline support (as shown in the chart) indicating its further bullish momentum. A convincing break of 45.78 levels shall open up the gateway for a swift upmove to 46.10 levels. On the downside, it is well supported at 45.45 and 45.30 levels. Technical indicators are displaying bullishness but RSI is signaling caution on the upmove.

### Global Market Outlook:

- The dollar slipped yesterday, with weakness expected to continue the rest of the week after the Federal Reserve kept interest rates low and gave a tepid assessment of the U.S. economy that ensured its Treasury bond-buying program remains in place until June.
- In a statement, the Fed, which voted unanimously at a regular policy meeting to hold interest rates steady, said the U.S. economic recovery, while continuing, has been "insufficient to bring about a significant



improvement in labor market conditions." It repeated that rates will remain exceptionally low for an extended period.

- The Fed also gave a nod to pressures from rising commodity prices but said measures of underlying inflation remained "somewhat low." This was in sharp contrast to the European Central Bank's view that the recent surge in commodity inflation posed a threat to the region's inflation.
- The market took the euro up, but the euro is looking somewhat heavy above \$1.37, with plenty of sellers emerging, taking it right back down and taking out the short term longs.
- The Reserve Bank of New Zealand also kept rates unchanged at 3.0 percent, as expected, reaffirming that rates are likely to rise modestly over the next two years. The New Zealand dollar gained versus the greenback after the decision, rising to US\$0.7719 from US\$0.7649.

Indices	Last	Change
Sensex	19,151.28	143.75
Nifty	5,743.25	46.75
Dow Jones	11,985.44	8.25
Nikkei	10,429.42	27.52
Hang Seng	23,855.09	11.85
Crude oil (\$/b)	87.44	0.12
Gold (\$/Oz)	1,343.59	-2.77

Cross Currencies		
	Current	Last
EUR	1.3698	1.3699
GBP	1.5906	1.5904
JPY	82.15	82.23
Asian Currencies		
KRW	1114.60	1115.00
PHP	44.17	44.25
IDR	9032.00	9028.00

Indian Debt Market	
91 Day T-Bill	7.25
6 M T-Bill	7.50
10 Yr G-Sec	8.15

Interest Rates	3M Libor	6M Libor
USD	0.30	0.45
EUR	0.99	1.23
JPY	0.19	0.35

### Global Data Watch

Data	Period	IST	Country	Exp	Pre
Economic sentiment	Jan	15:30	EZ	1.34	1.31
Durable goods m/m	Dec	19:00	US	1.50%	-0.30%
Core Durable Goods Orders m/m	Dec	19:00	US	0.80%	3.60%
Initial Jobless Claims	w/e	19:00	US	405K	404K

For queries and feed back you can e-mail us at [ksfx.feedback@kotak.com](mailto:ksfx.feedback@kotak.com)

---

## DISCLAIMER

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.

This report is prepared by Greenback Forex Services Pvt. Ltd. exclusively for KSL. The information contained in this brochure including text, graphics or other items are provided on an 'as is', 'as available' basis. KSL does not warrant the accuracy, adequacy, completeness, error, delay, interruption or timeliness or delivery in whole or in part of any of the reports or their extracts and expressly disclaims liability for errors or omissions in this information and material. No warranty of any kind, implied, express or statutory, including but not limited to the warranties of non-infringement of third party rights, title, merchantability and fitness for a particular purpose is given in conjunction with the information and materials. In no event will KSL and/or any of their affiliates or directors or officers or employees be liable for any damages, including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with this brochure or use thereof or inability to use by any party, or in connection with any failure of performance, error, omission, interruption, defect, even if KSL, or its representatives, are advised of the possibility of such damages, losses or expenses.

This material is for the personal information of the authorized recipient, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or buy or the solicitation of an offer to sell or buy any security in any jurisdiction where such an offer or solicitation would be illegal. This report should be in no way understood as promise or guarantee for receiving a profit or avoiding the loss. It is for the general information of the prospective clients/clients of Kotak Securities Limited (KSL). **Nothing contained herein shall constitute investment advice or a personal recommendation and the risk of loss on the basis of information published in this report may be substantial.** By accessing the contents of this document and reading the same, the reader is deemed to have unconditionally accepted this integral and operative position.

Trading in securities market is a high risk area and requires skill, experience and knowledge of securities markets and the recipients of this material should rely on their own investigations and take their own independent professional advice or advice of a qualified expert before making any trading decision.

Stated here levels of support and resistance must not be construed as an investment advice or endorsement for any financial instrument and the levels may go up or down. There exists no guarantee that the market would behave in accordance with the information stated here prepared by Greenback Forex Services Pvt. Ltd. Past performance is not a guide for future performance.

**Prospective investors and others are cautioned that any forward-looking statements are not predictions or assurance of price movements in any manner and may be subject to change without notice.** KSL's proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. The stated price of any securities mentioned in this report will be as of the date indicated and is not a representation that any transaction can be effected at this price.

KSL and its affiliates, officers, directors, and employees world wide may: (a) from time to time, have positions in securities, or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or have other potential conflict of interest with respect to any recommendation and related information and opinions.

No part of this material may be duplicated in any form and/or redistributed reproduced, republished, uploaded, posted or transmitted without the prior written consent of KSL.

KSL reserves the option to provide all or any of the report and the right to suspend or vary the whole or any part of the same for any reason, at any time at its sole discretion.

**Greenback Risk Disclosure:** Any information presented by Greenback Forex Services Pvt. Ltd should be in no way understood as an offer, promise or guarantee for receiving a profit or avoiding the losses. Stated here levels of support and resistance must not be construed as an investment advice or endorsement for any financial instrument. There exists no guarantee that the market would behave in accordance with the information stated here Prepared by Greenback Forex Services Pvt. Ltd.