

Data released since yesterday

Date	Time	Country	Event	Period	Expectation	Actual	Prior	Revised
Jul 03	10:30	IN	PMI Services	Jun	--	51.7	53.6	--
Jul 03	13:30	EZ	PMI Services	Jun F	48.6	48.3	48.6	--
Jul 03	14:00	UK	PMI Services	Jun	55.0	56.9	54.9	--
Jul 03	14:30	EZ	Retail Sales (%MoM)	May	0.1	1.0	-0.5	-0.2
Jul 03	17:45	US	ADP Empl Change ('000s)	Jun	160	188	135	134
Jul 03	18:00	US	Trade Balance (USD bn)	May	-40.2	-45	-40.3	-40.1
Jul 03	18:00	US	Initial Jobless Claims ('000s)	Jun-29	345	343	346	348
Jul 03	19:30	US	ISM Non-Mfg Composite	Jun	54.2	52.2	53.7	--

Developments since yesterday

- In further political development in Portugal, Prime Minister Pedro Passos Coelho said that he will not quit after the resignation of Foreign Affairs Minister Paulo Portas, a coalition partner
- The Indian Cabinet yesterday passed the Food Security Bill ordinance. The Bill aims to provide uniform 5 kg of food grains per month per person at a highly subsidised price of Rs 1-3 per kg to two-thirds of the country's population
- US stocks ended higher yesterday as positive employment data aided optimism over labour market recovery. Dow Jones ended at 14988.00 (+0.38%) while S&P 500 closed at 1615.41 (+0.08%).
- Asian stocks are trading largely in the green tracking overnight gains on the Wall Street amidst broad based growth optimism in US. Hang Seng, Kospi and the Australia's ASX are up by 1.51%, 0.17% and 0.93% respectively. Meanwhile, Nikkei is trading lower by 0.41%, weighed down by index heavyweight stocks
- US Treasuries are closed for trading today on account of US Independence Day holiday. The 10-year benchmark yield rose by 3 bps to close at 2.50% yesterday amidst better than expected US labour market data and increased speculation of tapering of asset purchases by the Fed.

View Today

	Trend		Support (1)	Support(2)	Resistance (1)	Resistance (2)	Market level*
	Intraday	Fortnight					
DXV	Bullish	Bullish	83.00	82.70	83.58	84.11	83.27
EUR/USD	Bearish	Rangebound	1.2960	1.2920	1.3030	1.3050	1.2994
GBP/USD	Bearish	Rangebound	1.5220	1.5200	1.5288	1.5340	1.5260
USD/JPY	Bullish	Bullish	99.60	99.20	100.25	100.70	99.81
USD/CHF	Bullish	Bearish	0.9455	0.9420	0.9507	0.9542	0.9480
USDINR(Spot)	Ranged	--	60.05	59.83	60.40	60.65	60.02
AUD/USD	bearish	Rangebound	0.9050	0.9028	0.9132	0.9170	0.9080
USD/CAD	Bullish	Rangebound	1.0500	1.0470	1.0350	1.0550	1.0515
	Trend		Trading Range				Market level*
	Intraday	Fortnight					
OIS (5Y)	Ranged	Ranged	7.48%-7.54%				7.51%
Gsec (8.15% 2022)	Ranged	Ranged	7.64%-7.70%				7.67%
Gsec (7.16% 2023)	Ranged	Ranged	7.48%-7.54%				7.51%
Sensex	Ranged	Ranged	18700-19400				19252
Gold	Ranged	Ranged	\$1240/\$1275				\$1,253
Brent Oil	Ranged	Ranged	\$105.0 -\$106.5				\$105.7

*These levels are taken at 9:30 AM IST

DXY	The DXY index is trading strong at 83.23 levels as compared to yesterday's lows of 83.09 on the back of better than expected ADP and jobless claims data releases that continue to support expectations of a good NFP print and an early tapering of QE by the US Fed. The safe haven demand for the greenback has been supported by the political tensions in Portugal. The gains though have been capped in thin holiday trade and on weak US trade deficit and services PMI releases. The markets now eagerly await the US NFP data due on Friday. Technically, intraday trend for the DXY is bullish with support and resistance at 83.00 and 83.58 respectively.
EUR/USD	The Euro is trading above the psychological 1.30 mark though lower compared to yesterday's highs of 1.3030 amidst a strong greenback. The currency however touched a low of 1.2921 yesterday amidst political tensions in Portugal with resignation of 2 ministers that led to a spike in 10-year yield to highs of 8.15% yesterday. The markets remains focused on the ECB policy meeting due later today, with Draghi likely to assert an accommodative policy stance in ailing economy. The intraday trend for the Euro is bearish, with support and resistance at 1.29600 and 1.3030 respectively.
GBP/USD	The British Pound is trading at 1.5264 levels as against previous close of 1.5278 tracking the losses in Euro. The currency however touched a high of 1.5302 yesterday on sharply better than expected services PMI release. The currency moves intraday though are likely to be limited on US holiday and ahead of the BoE policy meeting due later this week, the first under the new Governor Carney, with his monetary policy stance to be closely watched. The intra day trend for the GBP/USD cross is bearish, with support and resistance at 1.5220 and 1.5284 respectively.
USD/JPY	The USDJPY currency pair is trading below the psychological 100 mark at 99.89 levels as Fed QE tapering concerns and renewed Eurozone debt issues have boosted the safe haven demand for the Yen. The BoJ Governor Kuroda in his comments this morning has asserted that the monetary stimulus is bearing fruit with the economy on a steady recovery path and with some of signs of a pick up in inflation expectations. The BoJ policy meeting is due next week though not much is expected in terms on change in quantum of the asset purchase program. The markets would also watch for the Ministry of Finance weekly flows data. Technically, the intra day trend for USD/JPY cross is bullish with support at 99.60 and resistance at 100.25
USD/CHF	USD/CHF is currently trading at 0.9474 levels as against previous close of 0.9465 amidst slight strength in the greenback this morning. Against the Euro, the currency is trading at 1.2316 levels after gaining 0.2% in the previous trading session amidst renewed debt concerns in the Eurozone economy, that have also supported the safe haven demand for the franc. The markets will track the Swiss CPI print due on Friday. Technically, USD/CHF is expected to trade bullish with support at 0.9455 and resistance at 0.9507.
AUD/USD	The Australian Dollar is trading marginally higher around 0.9096 levels as against previous close of 0.9087 after recovering somewhat from the recent lows on value buying. Gains in the metal space also provided support to the Aussie. However, the upside remains capped amidst comments by the RBA, which emphasised on the need for currency depreciation for growth rebalancing in Australia. Technically, we expect AUD/USD to bearish with support at 0.9050 and resistance at 0.9132.
USD/CAD	The Canadian Dollar is trading slightly weak at 1.0512 compared to yesterday's close of 1.0505 on the back of marginal Dollar strength this morning. However, firm crude oil prices provided support and limited the downside. Markets would closely Canada's employment data and Ivey PMI reading slated to be released tomorrow for further cues on domestic growth momentum. Technically, we expect USD/CAD to trade bullish with support at 1.0500 and resistance at 1.0530.

Sensex	Indian stocks markets opened marginally higher tracking positive cues from global peers. Value buying after losses in the last two trading sessions is also likely to provide support. However, caution ahead of the start of the FY2013 Q1 earning result announcement due to start next week is likely to cap the upside. Meanwhile, the Cabinet yesterday cleared the Food Security Bill ordinance. Technically, Sensex is expected to trade ranged between 18700-19400.
USD/INR	The Indian Rupee opened stronger at 60.09 compared to yesterday's close of 60.22 tracking largely positive cues from Asian currency peers. Likely capital flows related to the HUL open offer, which closes today is likely to provide further support. However, the upside is likely to be capped amidst caution in the global markets ahead of the ECB and BoE policy meeting today and the US non-farm payrolls data due tomorrow. Investors would closely watch movements in domestic stock markets for direction. The intraday trend for USDINR is ranged with support at 60.05 and resistance at 60.40.
Gsec	The Indian Government bonds are likely to witness some pressure ahead of the fresh supply of dated securities worth INR 150 bn due tomorrow and firm global crude oil prices. Persistent weakness in the Rupee is also likely to weigh on rate cut expectations and further add to the losses. Market focus would remain on the Government's reform agenda and any progress in this direction would be a positive for the bonds. The old 10-year bond yield, currently at 7.67%, is expected to trade in the range of 7.64%-7.70% while the new 10-year benchmark, currently at 7.51%, is expected to trade in the band of 7.48%-7.54%.
Oil	Crude oil prices are trading marginally lower this morning, albeit holding on to most of the recent gains. Though slight strength in the Dollar in the early trade today weighed on crude oil prices, continued political unrest in Egypt capped the downside. Prices also received support as the US Energy Department yesterday reported that crude inventories fell by 10.3 mn barrels last week, more than expectations of a 2.3 mn barrels decline. WTI is trading at USD 101.13/bbl, vs. yesterday's close of USD 101.24/bbl. Brent is currently at USD 105.39/bbl vs. USD 105.76/bbl yesterday. Technically, Brent is expected to trade ranged between USD 105.0 -106.5/bbl.
Gold	Gold prices are trading little changed around USD 1253/oz as markets await further cues on Fed's asset purchase program from the US non-farm payrolls report due tomorrow. Though a brief pause in ETF sell-off yesterday provided some support, the upside was capped amidst marginal Dollar strength this morning. Technically gold is expected to trade ranged between USD 1240-1275/oz.

Data Today

Time	Country	Event	Period	Expectation	Prior
16:30	UK	BoE Policy Rate (%)	Jul-04	0.5	0.5
16:30	UK	BoE Asset Purchase Target (GBP bn)	Jul	375	375
17:15	EZ	ECB Policy Rate (%)	Jul-04	0.5	0.5

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