

SPOT CURRENCY WATCH

Spot rate	High	Low	Close	Prevailing*	Change
USDINR	46.62	46.37	46.765	46.35	-0.0089
USDJPY	86.21	85.85	85.87	86.13	0.0030
EUROUSD	1.2866	1.2825	1.2828	1.285	0.0017
GBPUSD	1.5626	1.5572	1.5574	1.561	0.0023
US \$ Index	82.611	82.427	82.548	82.49	-0.0580

*Prevailing prices taken at the time of making the report

USDINR MCX-SX CURRENCY CONTRACTS

Contract	Close	% Chg	Volume
AUG0	46.8975	0.1923	3945598
SEP0	47.095	0.1755	155517
OCT0	47.2775	0.1430	36925

MCX-SX CROSS CURRENCY CONTRACTS

	Contract	Close	% Chg	Volume
EURINR	MAY'10	60.15	-1.167	231179
GBPINR	MAY'10	73.05	-0.643	18668
JPYINR	MAY'10	54.705	1.343	13972

MAJOR WORLD INDICES

Indices	Close	Chg	% Chg
S&P 500	1083.61	4.49	0.4161
NIKKEI 225	9212.59	-80.26	-0.8637
SHANGHAI COMPOSITE	3254.264	14.696	0.4536
FTSE	5355.5	104.09	1.9821
CNX S&P NIFTY	5416.45	-4.15	-0.0766

FII ACTIVITY (Rs. cr)

Date	Purchase	Sale	Net
8/12/2010	28353	21167	7186
8/11/2010	34329	29203	5126
8/10/2010	25959	24199	1760
8/9/2010	30320	22584	7736

USDINR NDF Outright

Months	Close	Change
1 Mn	47.01	0.09
6 Mn	47.8	-0.04
12Mn	48.58	-0.01

NDF - Non Deliverable Forward

COMMENTARY

The Indian rupee bounced back from its lowest in nearly three weeks yesterday tracking a recovery in local share prices but the euro's fall against the dollar limited the local currency's advance.

The partially convertible rupee ended at 46.77/78 per dollar, off an early low of 47.04, which was the lowest since July 26 and about 0.1 percent weaker than Wednesday's close of 46.70/71.

The benchmark BSE share index ended flat, erasing intraday losses after dipping as much as 0.9 percent in a choppy session.

Foreigners are net buyers of \$11.3 billion of domestic equities so far in 2010, adding to last year's record \$17.5 billion inflows.

The dollar's rise overseas capped the rupee's gains. The euro hit a three-week low versus the dollar after weak Greek data reinforced concerns about weaker euro zone economies.

The dollar index, an indicator of the dollar's strength against six major currencies was up 0.5 percent at the time of the local market's close.

The Indian rupee is seen opening largely steady on Friday in line with an expected flat performance in domestic shares but stronger regional currencies could support the local unit, dealers said.

RBI REFERENCE RATES

	Rate	Change
USDINR	46.94	-0.4
EURINR	60.54	0.24
GBPINR	73.67	-0.25
JPYINR	55	-0.46

DAILY VOLATILITY

	Close	Change
USDINR	0.68	0.04
EUROINR	0.67	-0.04

COMMODITIES

	Close	Change
GOLD	18550	0.92
COPPER	338.3	0.33
CRUDE	3571	-3.07

MCX-SX SPREAD SHEET

Contract	May-10	Jun-10	Jul-10
May-10	0.1975	0.38	0.54
June-10	0	0.1825	0.3425
July-10	0	0	0.16

USDINR Onshore Forward Premiums

Months	Close	Change
1 Mn	20.75	-0.75
3 Mn	64	1.25
12Mn	199	1.25



DEBT MARKET WATCH

Period	Rate	Change
Call money rate	5.2	0.00
Mibor rate	5.7	-0.07
14 day Mibor	5.44	-0.37
3 month Mibor	6.29	-0.38
5 year G-sec	7.636	0.57
10 year G-sec	7.831	0.22
Repo Amount	125.4	-39.60
Reverse Repo amount	1.2	-0.70
US 5-yr Benchmark	1.4797	-0.11
US 10-yr Benchmark	2.7418	-0.20
1 month LIBOR	0.27594	-1.23
3 month LIBOR	0.37625	-2.12

COMMENTARY

The U.S. dollar rose against major currencies on Thursday, extending the previous day's gains, as an unexpected rise in U.S. weekly jobless claims and weaker-than-expected euro zone data spurred safe-haven demand.

The euro earlier slid to a three-week low against the dollar after figures showed Greece's economy shrank more than expected in the second quarter, while euro zone industrial production unexpectedly declined in June.

The U.S. dollar fought its way higher on the yen in Asia today following a report Japan's prime minister and the head of its central bank would meet to discuss ways to deal with the currency's export-sapping strength.

The U.S. dollar had edged higher overnight after disappointing U.S. jobless claims data and a third day of losses on Wall Street kept risk off the menu.

The dollar index was off 0.1 percent on Friday at 82.557, after rising 0.4 percent on Thursday. It remains well short of the July 21 peak of 83.451, with support seen around 82.109 and 81.96.

IMPORTANT ECONOMIC INDICATORS

Indicator	Time	Region	Period	Expected	Prior
EUR German Gross Domestic Product w.d.a. (YoY) (2Q P)	0.25	EUR	Monthly	-	-
EUR French Gross Domestic Product (QoQ) (2Q P)	6.45	EUR	Monthly	-	0.1%
EUR French Consumer Price Index (MoM) (JUL)	6.45	EUR	Monthly	-	0.0%
EUR French Gross Domestic Product (YoY) (2Q P)	0.28125	EUR	Monthly	-	1.2%
EUR Euro-Zone Trade Balance (euros) (JUN)	0.375	EUR	Monthly	-	-3.4B
EUR Euro-Zone Gross Domestic Product s.a. (QoQ) (2Q A)	0.375	EUR	Monthly	-	0.2%
USD Consumer Price Index (MoM) (JUL)	0.520833333	USD	Monthly	-	-0.1%
USD Advance Retail Sales (JUL)	0.520833333	USD	Monthly	-	-0.5%
USD Consumer Price Index Core Index s.a. (JUL)	0.520833333	USD	Monthly	-	221.388
USD U. of Michigan Confidence (AUG P)	0.579861111	USD	Monthly	-	67.8

STRATEGY

Contract	BUY/SELL	Range	Target 1	Target 2	Stop Loss	
USDINR	August	Sell	46.90-92	46.84	46.740	46.030

PIVOT TABLE

	Support 2	Support 1	Pivot	Resistance 1	Resistance 2
USDINR Spot	46.540	46.670	46.880	46.960	47.150
USDINR May'10	46.68	46.78	46.96	47.06	47.24
EURINR May'10	59.66	59.90	60.30	60.55	60.95
GBPINR May'10	72.52	72.79	73.31	73.58	74.11
JPYINR May'10	54.01	54.36	54.87	55.22	55.74

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