

## SPOT CURRENCYWATCH

Spot rate	High	Low	Close	Prevailing*	Pre. Close
USD/INR*	45.38	45.1675	45.375	-	45.33
USD/JPY	76.83	76.63	76.78	76.65	76.84
EUR/USD	1.4405	1.4351	1.4401	1.4389	1.4446
GBP/USD	1.6451	1.641	1.6446	1.6432	1.6387
US \$ Index	74.172	74.012	74.069	74.023	73.892

\*Prevailing prices taken at the time of making the report

## USDINR MCX-SX CURRENCY CONTRACTS

Contract	Close	Pre. Close	Volume*
Aug'11	45.39	45.39	3,366,833
Sep'11	45.5025	45.4725	167,561
Oct'11	45.665	45.5975	47,196

\*In Lots

## MCX-SX CROSS CURRENCY CONTRACTS

	Contract	Close	Pre. Close	Volume*
EUR/INR	Aug'11	65.1850	64.6450	161,005
GBP/INR	Aug'11	74.3150	73.8200	26,612
JPY/INR	Aug'11	59.1025	59.2200	22,986

\*In Lots

## MAJOR WORLD INDICES

Indices	Close	Chg	Pre. Close
S&P 500	1,192.76	-11.73	1,204.49
NIKKEI 225	9107.43	21.02	9086.41
SHANGHAI COMPOSITE	2608.17	-18.6	2626.77
FTSE	5357.63	7.05	5350.58
CNX S&P NIFTY	5035.8	-37.15	5072.95

## FII ACTIVITY (Rs. million)

Date	Purchase	Sale	Net
8/16/2011	40336	33678	6658
8/12/2011	37657	36150	1507
8/11/2011	56680	39697	16983
8/10/2011	34073	57104	-23031

## USDINR NDF Outright

Months	Close	Pre. Close
1 Mn	45.44	45.39
6 Mn	45.99	45.85
12Mn	46.69	46.38

NDF - Non Deliverable Forward

## COMMENTARY

Sterling rose on Tuesday, hitting a one-week high versus the dollar, as data showed inflation rose slightly more than expected in July, reducing the risk of more quantitative easing by the Bank of England.

German data showing GDP growth slowed to 0.1 percent in the second quarter, much less than a consensus forecast of 0.5 percent, pushed the single currency down more than 1 percent against the safe-haven Swiss franc.

Attention will turn to the release of the minutes to the BoE meeting earlier this month. The firmer inflation data could mean the minutes may not be as dovish as seems to be.

France and Germany unveiled far-reaching plans yesterday for closer euro zone integration but they disappointed investors by declaring that any thoughts of common euro bond issuance would have to wait.

U.S. stocks fell yesterday after three days of gains when a meeting between the heads of France and Germany failed to quell fears about euro zone leaders' ability to contain the region's sovereign debt woes.

## RBI REFERENCE RATES

	Rate	Pre. Close
USD/INR	45.249	45.374
EUR/INR	65.062	64.366
GBP/INR	73.8803	73.5308
JPY/INR	58.93	59.06

## DAILY VOLATILITY

	Close	Pre. Close
USD/INR	0.3	0.3162
EUR/INR	0.8	0.781

## COMMODITIES

	Close	Pre. Close
GOLD	26225	25688
COPPER	399.25	402.25
CRUDE	3930	3896

## MCX-SX SPREAD SHEET

Contract	Sep'11	Oct'11	Nov'11
Aug'11	0.1125	0.275	0.385
Sep'11	0	0.1625	0.2875
Oct'11	0	0	0.125

## USDINR Onshore Forward Premiums

Months	Close	Pre. Close
1 Mn	10.25	7
3 Mn	38.5	31.25
12Mn	153.75	137.75



## DEBT MARKETWATCH

Period	Rate	Pre. Close
Call money rate	8	7.4
Mibor rate	8.02	7.96
14 day Mibor	7.18	8.25
3 month Mibor	8.83	8.83
5 year G-sec	8.302	8.265
10 year G-sec	8.289	8.301
Repo Amount	512.05 (Rs. Billion)	574.45 (Rs. Billion)
Reverse Repo amount	8.40 (Rs. Billion)	10.10 (Rs. Billion)
US 5-yr Benchmark	0.9338	0.9884
US 10-yr Benchmark	2.2213	2.2991
1 month LIBOR	0.21022	0.21022
3 month LIBOR	0.29283	0.29172

## COMMENTARY

The Indian rupee reversed early gains to end weaker on Tuesday as local shares turned choppy and the euro pulled back after data showing slower-than-expected growth in Germany renewed fears of a global economic slowdown.

The partially convertible rupee ended at 45.38/39 per dollar -- its weakest level in the day -- after rising to as high as 45.17 in early trades. It had closed 0.1 percent stronger on Friday at 45.35/36.

Fears of global growth dented sentiment in local equities too with the benchmark share index ending weaker for a third straight session after gaining over 1 percent in opening trade.

India's wholesale price index rose an annual 9.22 percent in July lower than 9.44 percent in previous month, but still above the central bank's projection of 7 percent at the end of the fiscal year in March.

The Indian rupee is seen range bound this morning in the absence of any fresh trigger, keep an eye on euro's movement against dollar for directional cues. The likely range for rupee to trade in spot is 45.25 to 45.45.

## IMPORTANT ECONOMIC INDICATORS

Indicator	Time	Region	Period	Expected	Prior
Current Account	1:30pm	EUR	Monthly	-3.6B	-5.2B
Claimant Count Change	2:00pm	GBP	Monthly	20.2K	24.5K
MPC Meeting Minutes	2:00pm	GBP	~	2-0-7	2-0-7
Average Earnings Index 3m/y	2:00pm	GBP	Quarterly	2.30%	2.30%
Unemployment Rate	2:00pm	GBP	Monthly	7.70%	7.70%
CPI y/y	2:30pm	EUR	Yearly	2.50%	2.50%
Core CPI y/y	2:30pm	EUR	Yearly	1.70%	1.60%
PPI m/m	6:00pm	USD	Monthly	0.00%	-0.40%
Core PPI m/m	6:00pm	USD	Monthly	0.20%	0.30%

## STRATEGY

	Contract	BUY/SELL	Range	Target 1	Target 2	Stop Loss
USD/INR	Aug'11	BUY	45.25	45.35	45.45	45.15
JPY/INR	Aug'11	BUY	58.95	59.1	59.2	58.8

## PIVOT TABLE

	Support 2	Support 1	Pivot	Resistance 1	Resistance 2
USD/INR Spot	45.10	45.24	45.31	45.45	45.52
USD/INR Aug'11	44.88	45.13	45.28	45.54	45.68
EUR/INR Aug'11	64.74	64.96	65.12	65.35	65.51
GBP/INR Aug'11	73.73	74.02	74.19	74.48	74.64
JPY/INR Aug'11	58.58	58.84	59.00	59.26	59.41

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For any queries contact on 022 - 3926 8165 / 8088 / 8052 / 8171