

## SPOT CURRENCYWATCH

Spot rate	High	Low	Close	Prevailing*	Pre. Close
USD/INR*	45.45	45.325	45.405	-	45.375
USD/JPY	76.67	76.5	76.61	76.66	76.78
EUR/USD	1.4435	1.4388	1.4424	1.4404	1.4401
GBP/USD	1.6543	1.6505	1.6536	1.6522	1.6446
US \$ Index	73.928	73.786	73.796	73.878	74.069

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

## USDINR MCX-SX CURRENCY CONTRACTS

Contract	Close	Pre. Close	Volume*
Aug'11	45.43	45.39	4,088,268
Sep'11	45.5175	45.5025	178,707
Oct'11	45.655	45.665	51,114

\*In Lots

## MCX-SX CROSS CURRENCY CONTRACTS

Contract	Close	Pre. Close	Volume*
EUR/INR Aug'11	65.6875	65.1850	198,605
GBP/INR Aug'11	74.7425	74.3150	44,602
JPY/INR Aug'11	59.3250	59.1025	13,203

\*In Lots

## MAJOR WORLD INDICES

Indices	Close	Chg	Pre. Close
S&P 500	1193.89	1.13	1192.76
NIKKEI 225	9057.26	-50.17	9107.43
SHANGHAI COMPOSITE	2601.26	-6.91	2608.17
FTSE	5331.60	-26.03	5357.63
CNX S&P NIFTY	5056.60	20.80	5035.80

## FII ACTIVITY (Rs. million)

Date	Purchase	Sale	Net
8/17/2011	35740	33363	2377
8/16/2011	40336	33678	6658
8/12/2011	37657	36150	1507
8/11/2011	56680	39697	16983

## USDINR NDF Outright

Months	Close	Pre. Close
1 Mn	45.49	45.44
6 Mn	46.03	45.99
12Mn	46.8	46.69

NDF - Non Deliverable Forward

## COMMENTARY

Data on Tuesday showed German gross domestic product growth slowed more than expected in the second quarter, while minutes of Bank of England's Monetary Policy Committee showed that policymakers judged economic outlook had worsened over the past month.

The government and the Bank of Japan have agreed to work as one to deal with recent yen rises, Takehiko Nakao, vice finance minister for international affairs at Japan's finance ministry, made the comment after meeting with BOJ Executive Director Hiroshi Nakaso.

The SNB stepped up its efforts to tame a runaway franc on Wednesday by announcing an expansion of its liquidity policy. The SNB said it would boost liquidity by expanding sight deposits to 200 billion francs from 120 billion, reiterating it would take additional steps if needed.

Two members of the Bank of England's (BoE) Monetary Policy Committee dropped their calls for higher interest rates this month, leaving the Monetary Policy Committee unexpectedly unanimous on record-low interest rates. Several policymakers also considered the case for more quantitative easing, the minutes showed.

## RBI REFERENCE RATES

	Rate	Pre. Close
USD/INR	45.3695	45.249
EUR/INR	65.3355	65.062
GBP/INR	74.558	73.8803
JPY/INR	59.17	58.93

## DAILY VOLATILITY

	Close	Pre. Close
USD/INR	0.2828	0.3
EUR/INR	0.781	0.8

## COMMODITIES

	Close	Pre. Close
GOLD	26394	26225
COPPER	404.35	399.25
CRUDE	3976	3930

## MCX-SX SPREAD SHEET

Contract	Sep'11	Oct'11	Nov'11
Aug'11	0.0875	0.225	0.3625
Sep'11	0	0.1375	0.275
Oct'11	0	0	0.1375

## USDINR Onshore Forward Premiums

Months	Close	Pre. Close
1 Mn	5.5	10.25
3 Mn	31.75	38.5
12Mn	143.25	153.75



## DEBT MARKETWATCH

Period	Rate	Pre. Close
Call money rate	8	8
Mibor rate	8	8.02
14 day Mibor	7.18	7.18
3 month Mibor	8.83	8.83
5 year G-sec	8.332	8.302
10 year G-sec	8.322	8.289
Repo Amount	352.70 (Rs. Billion)	512.05 (Rs. Billion)
Reverse Repo amount	4.3 (Rs. Billion)	8.40 (Rs. Billion)
US 5-yr Benchmark	0.9176	0.9338
US 10-yr Benchmark	2.1704	2.2213
1 month LIBOR	0.21244	0.21022
3 month LIBOR	0.29589	0.29283

## COMMENTARY

The Indian rupee ended weaker on Wednesday as positive local shares were offset by dollar demand from domestic oil refiners and a choppy euro after French and German leaders' plans for closer euro zone integration failed to improve shaky investor sentiment.

The partially convertible rupee ended at 45.4050/4150 per dollar, after weakening to as low as 45.4625 during trade. It had ended at 45.38/39 on Tuesday.

New Delhi is estimated to owe around \$4 billion to Tehran for its oil imports and domestic oil firms have been aggressively buying dollars to make these payments.

The three-month was at 31.75 points from 38.50 points and the one-year onshore forward premium was at 143.25 points from 153.75.

The Indian rupee is expected to open weaker this morning as dollar demand from oil importers and likely negative local shares are seen weighing. The likely range for rupee to trade in spot is 45.30 to 45.50.

## IMPORTANT ECONOMIC INDICATORS

Indicator	Time	Region	Period	Expected	Prior
Retail Sales m/m	2:00pm	GBP	Monthly	0.30%	0.70%
Core CPI m/m	6:00pm	USD	Monthly	0.20%	0.30%
Unemployment Claims	6:00pm	USD	Weekly	403K	395K
CPI m/m	6:00pm	USD	Monthly	0.20%	-0.20%
FOMC Member Dudley Speaks	6:05pm	USD	~	~	~
Existing Home Sales	7:30pm	USD	Monthly	4.92M	4.77M
Philly Fed Manufacturing Index	7:30pm	USD	Monthly	4.2	3.2
CB Leading Index m/m	7:30pm	USD	Monthly	0.20%	0.30%

## STRATEGY

	Contract	BUY/SELL	Range	Target 1	Target 2	Stop Loss
USD/INR	Aug'11	BUY	45.45	45.55	45.65	45.35
JPY/INR	Aug'11	BUY	59.25	59.35	59.45	59.15

## PIVOT TABLE

	Support 2	Support 1	Pivot	Resistance 1	Resistance 2
USD/INR Spot	45.27	45.34	45.39	45.46	45.52
USD/INR Aug'11	45.30	45.37	45.41	45.48	45.52
EUR/INR Aug'11	64.88	65.28	65.52	65.93	66.16
GBP/INR Aug'11	74.03	74.39	74.59	74.94	75.14
JPY/INR Aug'11	58.94	59.13	59.24	59.43	59.54

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