

## SPOT CURRENCYWATCH

Spot rate	High	Low	Close	Prevailing*	Pre. Close
USD/INR*	46.03	45.71	45.99	-	45.62
USD/JPY	77.14	76.82	76.95	76.96	76.7
EUR/USD	1.4416	1.4387	1.4412	1.4401	1.4431
GBP/USD	1.6375	1.635	1.6362	1.637	1.6487
US \$ Index	74.111	74.026	74.064	74.066	73.839

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

## USDINR MCX-SX CURRENCY CONTRACTS

Contract	Close	Pre. Close	Volume*
Aug'11	46.0125	45.6375	2,538,096
Sep'11	46.1175	45.7525	294,064
Oct'11	46.2675	45.9050	39,534

\*In Lots

## MCX-SX CROSS CURRENCY CONTRACTS

	Contract	Close	Pre. Close	Volume*
EUR/INR	Aug'11	66.5075	66.0550	112,874
GBP/INR	Aug'11	75.9225	75.4375	13,979
JPY/INR	Aug'11	60.0775	59.5525	14,793

\*In Lots

## MAJOR WORLD INDICES

Indices	Close	Chg	Pre. Close
S&P 500	1177.60	-15.25	1162.35
NIKKEI 225	8639.61	-93.40	8733.01
SHANGHAI COMPOSITE	2541.09	-12.93	2554.02
FTSE	5205.85	76.43	5129.42
CNX S&P NIFTY	4888.90	-60.00	4948.90

## FII ACTIVITY (Rs. million)

Date	Purchase	Sale	Net
8/24/2011	98952	31938	67014
8/23/2011	40861	33891	6970
8/22/2011	40271	70633	-30362
8/19/2011	31300	34991	-3691

## USDINR NDF Outright

Months	Close	Pre. Close
1 Mn	46.07	45.7
6 Mn	45.51	46.31
12Mn	46.61	46.89

NDF - Non Deliverable Forward

## COMMENTARY

The dollar held steady against the yen today, clinging to gains made the previous day on short-covering as investors fretted that the U.S. Federal Reserve may not signal new stimulus for the economy this week.

The U.S. dollar and euro hit session highs against the traditional safe-haven Japanese yen in New York trading on Wednesday as investors embraced risk. Sterling fell versus the dollar with better-than-expected U.S. durable goods orders data prompting investors to pare long positions in the UK currency.

The Nikkei average rose more than 1.5 percent, helped by the yen's retreat from a record high and as market participants covered short positions ahead of a Friday speech by Federal Reserve Chairman Ben Bernanke that is being watch for hints of more easing.

Bund futures tumbled on Wednesday as investors bought up riskier assets on hopes that the U.S. central bank will unveil fresh stimulus measures, and stronger economic data added momentum -- though the trend was not seen as sustainable.

## RBI REFERENCE RATES

	Rate	Pre. Close
USD/INR	45.7695	45.9483
EUR/INR	65.9745	66.0129
GBP/INR	75.5769	75.7619
JPY/INR	59.7600	59.8800

## DAILY VOLATILITY

	Close	Pre. Close
USD/INR	0.3464	0.3606
EUR/INR	0.7211	0.7348

## COMMODITIES

	Close	Pre. Close
GOLD	26293	27597
COPPER	406.25	402.5
CRUDE	3962	3911

## MCX-SX SPREAD SHEET

Contract	Sep'11	Oct'11	Nov'11
Aug'11	0.2625	0.5175	-0.645
Sep'11	0	0.255	0.5175
Oct'11	0	0	0.2625

## USDINR Onshore Forward Premiums

Months	Close	Pre. Close
1 Mn	8.5	12.75
3 Mn	37	43.25
12Mn	141	160.5



## DEBT MARKETWATCH

Period	Rate	Pre. Close
Call money rate	8.05	8
Mibor rate	8	8
14 day Mibor	7.18	8.29
3 month Mibor	8.83	8.83
5 year G-sec	8.23	8.265
10 year G-sec	8.217	8.262
Repo Amount	465.80 (Rs. Billion)	239.65 (Rs. Billion)
Reverse Repo amount	7.00 (Rs. Billion)	7.55 (Rs. Billion)
US 5-yr Benchmark	1.0257	0.9285
US 10-yr Benchmark	2.2675	2.132
1 month LIBOR	0.21894	0.21839
3 month LIBOR	0.31428	0.31178

## COMMENTARY

The Indian rupee dived on Wednesday, pummeled by dollar demand from oil companies, a slide in domestic equities and weak Asian currencies.

The partially convertible rupee ended at 45.99/46.00 per dollar, nearly 0.8 percent weaker from Tuesday's close of 45.625/635.

Oil is India's biggest import item and domestic oil refiners are the largest dollar purchasers in the forex market. Refiners have been buying dollars aggressively for several days as India tries to clear its outstanding oil import dues with Iran, estimated to be around \$5 billion.

The one-month onshore forward premium was at 8.50 points from 12.75 points on Tuesday, the three-month was at 37 points from 43.25 points and the one-year stood at 140.50 points, from 160.50.

The Indian rupee weakened this morning to hit its weakest level in more than 11 months weighed by overnight gains in the dollar. The likely range for rupee to trade in spot is 46.10 to 46.30.

## IMPORTANT ECONOMIC INDICATORS

Indicator	Time	Region	Period	Expected	Prior
GfK German Consumer Climate	Up Next 11:30am	EUR	Monthly	5.2	5.4
CBI Realized Sales	3:30pm	GBP	Monthly	-10	-5
MPC Member Weale Speaks	4:30pm	GBP	~	~	~
Unemployment Claims	6:00pm	USD	Weekly	403K	408K

## STRATEGY

Contract	BUY/SELL	Range	Target 1	Target 2	Stop Loss
USD/INR Aug'11	BUY	46.08	46.18	46.28	46.01
EUR/INR Aug'11	BUY	66.41	66.56	66.66	66.29

## PIVOT TABLE

	Support 2	Support 1	Pivot	Resistance 1	Resistance 2
USD/INR Spot	45.59	45.79	45.91	46.11	46.23
USD/INR Aug'11	45.50	45.76	45.90	46.16	46.30
EUR/INR Aug'11	65.49	66.00	66.29	66.80	67.09
GBP/INR Aug'11	75.13	75.53	75.75	76.15	76.37
JPY/INR Aug'11	59.35	59.71	59.92	60.28	60.49

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