

SPOT CURRENCYWATCH

Spot rate	High	Low	Close	Prevailing*	Pre. Close
USD/INR*	46.04	45.94	46.205	-	45.99
USD/JPY	77.5	77.24	77.46	77.26	76.95
EUR/USD	1.4416	1.4367	1.4371	1.4406	1.4412
GBP/USD	1.6305	1.6276	1.6277	1.6302	1.6362
US \$ Index	74.223	74.09	74.198	74.105	74.064

*Prevailing prices taken at the time of making the report

USDINR MCX-SX CURRENCY CONTRACTS

Contract	Close	Pre. Close	Volume*
Aug'11	46.0675	46.0125	3,470,040
Sep'11	46.1450	46.1175	573,501
Oct'11	46.2675	46.2675	40,155

*In Lots

MCX-SX CROSS CURRENCY CONTRACTS

	Contract	Close	Pre. Close	Volume*
EUR/INR	Aug'11	66.5225	66.5075	81,978
GBP/INR	Aug'11	75.4225	75.9225	30,301
JPY/INR	Aug'11	59.6825	60.0775	36,999

*In Lots

MAJOR WORLD INDICES

Indices	Close	Chg	Pre. Close
S&P 500	1159.27	18.33	1177.60
NIKKEI 225	8772.36	132.75	8639.61
SHANGHAI COMPOSITE	2615.26	74.17	2541.09
FTSE	5131.1	-74.75	5205.85
CNX S&P NIFTY	4839.60	-49.30	4888.90

FII ACTIVITY (Rs. million)

Date	Purchase	Sale	Net
8/25/2011	33450	31242	2208
8/24/2011	44866	31938	12928
8/23/2011	24499	33891	-9392
8/22/2011	61291	70633	-9342

USDINR NDF Outright

Months	Close	Pre. Close
1 Mn	44.59	46.07
6 Mn	46.62	45.51
12Mn	47.40	46.61

NDF - Non Deliverable Forward

COMMENTARY

The dollar came off a two-week high against the yen on Friday, weighed down by the euro's gains on political progress in Spain, but was seen likely to recoup losses and firm further on views the Federal Reserve will not signal strong economic stimulus.

The Fed hosts its annual retreat in Wyoming this week, and recent market turmoil and signs of weaker U.S. growth have fed expectations that Bernanke may hint at more emergency stimulus for the economy. Sterling slipped to two-week lows against the euro on Thursday as a sovereign account bought the common currency for month-end requirements, while the pound eased against the dollar as stock markets in Europe and the U.S. traded in negative territory.

Greek bond yields continued to set new highs on Thursday as wrangling over demands for capital to back other euro zone states' bailout contributions fuelled worries over the implementation of the rescue plan.

RBI REFERENCE RATES

	Rate	Pre. Close
USD/INR	46.1285	45.7695
EUR/INR	66.259	65.9745
GBP/INR	75.5193	75.5769
JPY/INR	59.84	59.7600

DAILY VOLATILITY

	Close	Pre. Close
USD/INR	0.3873	0.3464
EUR/INR	0.7071	0.7211

COMMODITIES

	Close	Pre. Close
GOLD	26376	26293
COPPER	415.85	406.25
CRUDE	3950	3962

MCX-SX SPREAD SHEET

Contract	Sep'11	Oct'11	Nov'11
Aug'11	0.2625	0.5175	-0.69
Sep'11	0	0.255	0.5175
Oct'11	0	0	0.2625

USDINR Onshore Forward Premiums

Months	Close	Pre. Close
1 Mn	9	8.5
3 Mn	37	37
12Mn	132.75	141



DEBT MARKETWATCH

Period	Rate	Pre. Close
Call money rate	8	8.05
Mibor rate	8.01	8
14 day Mibor	7.18	7.18
3 month Mibor	8.83	8.83
5 year G-sec	8.247	8.23
10 year G-sec	8.245	8.217
Repo Amount	431.10 (Rs. Billion)	465.80 (Rs. Billion)
Reverse Repo amount	14.40 (Rs. Billion)	7.00 (Rs. Billion)
US 5-yr Benchmark	0.9791	1.0257
US 10-yr Benchmark	2.2304	2.2675
1 month LIBOR	0.22083	0.21894
3 month LIBOR	0.319	0.31428

COMMENTARY

The Indian rupee on Thursday clawed back from its deepest low in more than 11 months, buoyed by corporate dollar sales, but was reined in by persistent demand for the U.S. unit from domestic oil firms and gold importers.

The partially convertible rupee ended at 46.04/05 to a dollar, only marginally weaker from Wednesday's close of 45.99/46.00 but stronger than the intraday low of 46.215 -- a level not seen since Sept. 16.

The one-month onshore forward premium was at 9 points from 8.50 points Wednesday, the three-month was steady at 37 points and the one-year stood at 132.75 points, from 141.

The Indian rupee is expected to remain range bound with a downward bias this morning amid mixed cues from Asian peers, but month-end dollar demand from oil importers and wariness ahead of the U.S. Fed chairman's speech are seen weighing on the rupee. The rupee is likely to trade in a range of 45.90 to 46.15 in spot.

IMPORTANT ECONOMIC INDICATORS

Indicator	Time	Region	Period	Expected	Prior
German Import Prices m/m	11:30am	EUR	Monthly	0.30%	-0.60%
M3 Money Supply y/y	1:30pm	EUR	Yearly	2.20%	2.10%
Private Loans y/y	1:30pm	EUR	Yearly	2.60%	2.50%
Revised GDP q/q	2:00pm	GBP	Quarterly	0.20%	0.20%
Prelim Business Investment q/q	2:00pm	GBP	Quarterly	~	-3.20%
Index of Services 3m/3m	2:00pm	GBP	Quarterly	0.60%	1.20%
Prelim GDP q/q	6:00pm	USD	Quarterly	1.10%	1.30%
Prelim GDP Price Index q/q	6:00pm	USD	Quarterly	2.30%	2.30%
Revised UoM Consumer Sentiment	7:25pm	USD	Monthly	56.30	54.90
Revised UoM Inflation Expectations	7:25pm	USD	Monthly	~	3.40%
Fed Chairman Bernanke Speaks	7:30pm	USD	~	~	~

STRATEGY

	Contract	BUY/SELL	Range	Target 1	Target 2	Stop Loss
USD/INR	Aug'11	SELL	46.15-16	46.01	45.93	46.28
JPY/INR	Aug'11	SELL	59.63-65	59.2	59.01	59.83

PIVOT TABLE

	Support 2	Support 1	Pivot	Resistance 1	Resistance 2
USD/INR Spot	45.96	46.08	46.06	46.18	46.16
USD/INR Aug'11	45.80	45.93	46.08	46.22	46.37
EUR/INR Aug'11	66.23	66.37	66.50	66.65	66.78
GBP/INR Aug'11	75.06	75.24	75.48	75.66	75.90
JPY/INR Aug'11	59.36	59.52	59.79	59.95	60.21

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