

SPOT CURRENCY WATCH

Spot rate	High	Low	Close	Prevailing*	Change
USDINR	46.04	45.79	46.16	45.75	-0.0089
USDJPY	85.93	85.41	85.84	85.52	-0.0037
EUROUSD	1.3239	1.3218	1.3232	1.3224	-0.0006
GBPUSD	1.5967	1.5936	1.5946	1.5934	-0.0008
US \$ Index	80.643	80.507	80.635	80.579	-0.0560

*Prevailing prices taken at the time of making the report

USDINR MCX-SX CURRENCY CONTRACTS

Contract	Close	% Chg	Volume
AUG0	46.325	-0.1993	2578713
SEP0	46.52	-0.2252	52718
OCT0	46.705	-0.2350	3492

MCX-SX CROSS CURRENCY CONTRACTS

	Contract	Close	% Chg	Volume
EURINR	MAY'10	61.23	0.998	148367
GBPINR	MAY'10	73.87	0.778	14624
JPYINR	MAY'10	53.98	1.020	59.29

MAJOR WORLD INDICES

Indices	Close	Chg	% Chg
S&P 500	1120.46	-0.9	-0.0803
NIKKEI 225	9694.01	123.7	1.2925
SHANGHAI COMPOSITE	3254.264	14.696	0.4536
FTSE	5355.5	104.09	1.9821
CNX S&P NIFTY	5439.55	7.9	0.1454

FII ACTIVITY (Rs. cr)

Date	Purchase	Sale	Net
8/3/2010	28353	21167	7186
8/2/2010	43551	36773	6778
7/30/2010	86671	31660	55011
7/29/2010	32108	31103	1005

USDINR NDF Outright

Months	Close	Change
1 Mn	46.380001	-0.079998
6 Mn	47.14	-0.06
12Mn	48	0.04

NDF - Non Deliverable Forward

COMMENTARY

The Indian rupee rose to its highest in slightly over a month on Tuesday, as expectations of low U.S. interest rates drove the dollar lower overseas and triggered selling from domestic exporters.

A rise in local share prices also supported sentiment and reinforced expectations of more capital inflows into Asia's third-largest economy in the coming months.

The partially convertible rupee ended at 46.16/17 per dollar, off an intraday peak of 46.10, its highest since June 28 and about 0.2 percent higher than its 46.24/25 previous close.

The dollar hit multi-month lows against major currencies like the euro and yen on rising concerns about the pace of economic recovery in the world's biggest economy and expectations U.S. rates may stay low.

The dollar index, a measure of the U.S. currency's value versus six majors, was down about 0.5 percent.

The benchmark BSE share index ended 0.2 percent higher.

Indian rupee is seen edging lower on Wednesday morning tracking weaker regional peers, but the domestic share market would be watched for direction.

RBI REFERENCE RATES

	Rate	Change
USDINR	46.22	0.41
EURINR	60.81	-0.07
GBPINR	73.46	-0.59
JPYINR	53.43	-0.04

DAILY VOLATILITY

	Close	Change
USDINR	0.57	0.03
EUROINR	0.61	0.07

COMMODITIES

	Close	Change
GOLD	17819	1.02
COPPER	342.05	-0.61
CRUDE	3793	1.01

MCX-SX SPREAD SHEET

Contract	May-10	Jun-10	Jul-10
May-10	0.195	0.38	0.555
June-10	0	0.185	0.36
July-10	0	0	0.175

USDINR Onshore Forward Premiums

Months	Close	Change
1 Mn	24	2.5
3 Mn	63.25	1
12Mn	198.25	2.75



DEBT MARKET WATCH

Period	Rate	Change
Call money rate	5	0.00
Mibor rate	5.76	-0.07
14 day Mibor	5.41	-0.38
3 month Mibor	6.15	-0.47
5 year G-sec	7.629	-0.86
10 year G-sec	7.823	-0.52
Repo Amount	-	-189.00
Reverse Repo amount	20.6	-4.40
US 5-yr Benchmark	1.541	-0.63
US 10-yr Benchmark	2.9014	-0.24
1 month LIBOR	0.3	-0.93
3 month LIBOR	0.43469	-2.25

COMMENTARY

The dollar tumbled on Tuesday against the euro, the yen and sterling as a fall in benchmark yields to all-time lows offered investors little incentive to buy assets denominated in the U.S. currency.

The dollar hit an eight-month low against the yen and hovered near a three-month trough against the euro on Wednesday as weak U.S. data and talk of the Federal Reserve embarking on further policy easing pushed down Treasury yields.

A string of weak U.S. economic data and speculation the Federal Reserve may consider pumping more money into the economy through new bond purchases has contributed to dwindling demand for the dollar.

Yields on benchmark two-year Treasury notes fell to a record low of 0.53 percent earlier.

Stronger growth in Europe and Asia raises the chances that central banks in those regions could raise interest rates before the U.S. Federal Reserve. Such moves would boost demand for higher-yielding Asian and European currencies.

Data on Tuesday showed contracts for pending U.S. home sales hit a record low in June, while U.S. new factory orders also fell.

IMPORTANT ECONOMIC INDICATORS

Indicator	Time	Region	Period	Expected	Prior
EUR Italian Purchasing Manager Index Services (JUL)	7.45	EUR	Monthly	51.4	51.5
EUR French Purchasing Manager Index Services (JUL F)	7.5	EUR	Monthly	61.3	61.3
EUR Euro-Zone Purchasing Manager Index Composite (JUL F)	8	EUR	Monthly	56.7	56.7
GBP Purchasing Manager Index Services (JUL)	8.3	GBP	Monthly	54.5	54.4
EUR Euro-Zone Retail Sales (MoM) (JUN)	9	EUR	Monthly	0.001	0.2% (R-)
USD MBA Mortgage Applications (JUL 30)	11	USD	Quarterly	-	-0.044
USD ADP Employment Change (JUL)	12.15	USD	Monthly	33K	13K
USD ISM Non-Manufacturing Composite (JUL)	14	USD	Monthly	53	53.8

STRATEGY

Contract	BUY/SELL	Range	Target 1	Target 2	Stop Loss
USDINR	June	Sell	46.41	46.29	46.200

PIVOT TABLE

	Support 2	Support 1	Pivot	Resistance 1	Resistance 2
USDINR Spot	45.910	46.050	46.130	46.250	46.340
USDINR May'10	46.11	46.24	46.33	46.45	46.54
EURINR May'10	60.49	60.86	61.12	61.50	61.76
GBPINR May'10	73.17	73.52	73.71	74.07	74.26
JPYINR May'10	53.29	53.64	53.81	54.15	54.33

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