

## SPOT CURRENCY WATCH

Spot rate	High	Low	Close	Prevailing*	Change
USDINR	45.88	45.72	45.88	45.71	-0.0037
USDJPY	86.49	86.1	86.31	86.1	-0.0024
EUROUSD	1.3177	1.3146	1.3152	1.315	-0.0002
GBPUSD	1.5914	1.5875	1.5885	1.5883	-0.0001
US \$ Index	80.999	80.886	80.985	80.97	-0.0150

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

## USDINR MCX-SX CURRENCY CONTRACTS

Contract	Close	% Chg	Volume
AUG0	46.3525	0.0594	2177599
SEP0	46.55	0.0645	42481
OCT0	46.7325	0.0589	5803

## MCX-SX CROSS CURRENCY CONTRACTS

	Contract	Close	% Chg	Volume
EURINR	MAY'10	61.235	0.008	169569
GBPINR	MAY'10	73.8	-0.095	13244
JPYINR	MAY'10	54.145	0.306	3066

## MAJOR WORLD INDICES

Indices	Close	Chg	% Chg
S&P 500	1127.24	6.78	0.6051
NIKKEI 225	9489.34	-204.67	-2.1113
SHANGHAI COMPOSITE	3254.264	14.696	0.4536
FTSE	5355.5	104.09	1.9821
CNX S&P NIFTY	5467.85	28.3	0.5203

## FII ACTIVITY (Rs. cr)

Date	Purchase	Sale	Net
8/4/2010	28353	21167	7186
8/3/2010	49762	25312	24450
8/2/2010	43551	36773	6778
7/30/2010	86671	31660	55011

## USDINR NDF Outright

Months	Close	Change
1 Mn	45.93	-0.45
6 Mn	47.18	-0.02
12Mn	48	0.08

NDF - Non Deliverable Forward

## COMMENTARY

The Indian rupee erased intraday losses to end steady on Wednesday as stronger local share prices and a weaker dollar overseas helped offset dollar demand from refiners.

The partially convertible rupee ended at 46.16/17 per dollar, steady from its close on Tuesday, when it had risen to a peak of 46.10, its highest since June 28. It moved in a range of 46.15 to 46.3050 during the session.

Oil, India's biggest import fell on Wednesday for the first day in five as a rally that powered prices to three-month highs near \$83 a day earlier lost steam. Refiners are the largest buyers of dollars in the domestic currency market.

The benchmark BSE share index tested a fresh 2-1/2 year peak, ending 0.6 percent higher. Foreigners have bought a net \$10.7 billion worth of shares in 2010, adding to a record \$17.5 billion of purchases in 2009.

The dollar's fall overseas also supported sentiment in the domestic market. The dollar was near a 15-year low against the yen on weak U.S. data and expectations of soft U.S. rates.

The Indian rupee is seen weakening in early trade today weighed down by a broad rally in the dollar globally but the local share market performance would be key for direction on fund flows.

## RBI REFERENCE RATES

	Rate	Change
USDINR	46.22	0
EURINR	61.07	-0.26
GBPINR	73.68	-0.22
JPYINR	54.06	-0.63

## DAILY VOLATILITY

	Close	Change
USDINR	0.72	-0.6
EUROINR	0.64	0.03

## COMMODITIES

	Close	Change
GOLD	17980	0.90
COPPER	345.85	1.14
CRUDE	3787	-0.21

## MCX-SX SPREAD SHEET

Contract	May-10	Jun-10	Jul-10
May-10	0.1975	0.38	0.5475
June-10	0	0.1825	0.35
July-10	0	0	0.1675

## USDINR Onshore Forward Premiums

Months	Close	Change
1 Mn	22	-2
3 Mn	62.25	-1
12Mn	189	-9.25



## DEBT MARKET WATCH

Period	Rate	Change
Call money rate	4.5	0.00
Mibor rate	5.22	-0.08
14 day Mibor	5.47	-0.40
3 month Mibor	6.23	0.07
5 year G-sec	7.665	0.60
10 year G-sec	7.837	0.26
Repo Amount	-	0.00
Reverse Repo amount	16	-4.00
US 5-yr Benchmark	1.5994	-0.91
US 10-yr Benchmark	2.9408	-0.49
1 month LIBOR	0.29531	-1.56
3 month LIBOR	0.42406	-2.45

## COMMENTARY

The dollar rebounded from an eight-month low against the yen on Wednesday and rose against the euro as encouraging U.S. employment and service sector data prompted traders to unwind bets against the U.S. currency.

A report showing the economy added 42,000 jobs was welcome, but traders said it would take far more good news to reverse the prevailing bias against the greenback, which has shed some 6 percent against major currencies since July.

The dollar rose 0.6 percent to 86.23 yen after falling to 85.33 yen, its lowest since November. A move below 84.81 yen would mark a 15-year low, according to Reuters data.

The euro fell 0.6 percent to \$1.3142, off Tuesday's three-month high of \$1.3261. Data showing the U.S. services sector grew more than expected in July also helped the dollar.

Markets are still worried recent signs of weaker U.S. growth could prompt the Federal Reserve to embrace more monetary policy easing. Those fears have driven U.S. short-dated Treasury yields lower in recent days. That has undermined the appeal of dollars for global investors.

## IMPORTANT ECONOMIC INDICATORS

Indicator	Time	Region	Period	Expected	Prior
EUR German Factory Orders n.s.a. (YoY) (JUN)	10	EUR	Monthly	0.216	0.248
GBP Bank of England Rate Decision (AUG)	11	GBP	-	0.005	0.005
GBP Bank of England Asset Purchase Target AUG	11	GBP	-	200B	200B
EUR European Central Bank Rate Decision (AUG)	11.45	EUR	-	0.01	0.01
USD Initial Jobless Claims (JUL 31)	12.3	USD	Weekly	455K	457K
USD Continuing Claims (JUL 24)	12.3	USD	Weekly	4515K	4565K

## STRATEGY

Contract	BUY/SELL	Range	Target 1	Target 2	Stop Loss
USDINR	June	46.43-45	46.32	46.260	46.540

## PIVOT TABLE

	Support 2	Support 1	Pivot	Resistance 1	Resistance 2
USDINR Spot	45.990	46.060	46.180	46.250	46.360
USDINR May'10	46.19	46.26	46.37	46.45	46.55
EURINR May'10	60.99	61.11	61.25	61.38	61.52
GBPINR May'10	73.50	73.65	73.82	73.97	74.13
JPYINR May'10	53.94	54.04	54.19	54.29	54.44

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