

## SPOT CURRENCY WATCH

Spot rate	High	Low	Close	Prevailing*	Change
USDINR	45.97	45.75	46.06	45.73	-0.0072
USDJPY	86.06	85.75	85.83	86	0.0020
EUROUSD	1.319	1.3176	1.3185	1.3186	0.0001
GBPUSD	1.5897	1.5867	1.5888	1.5881	-0.0004
US \$ Index	80.834	80.757	80.809	80.794	-0.0150

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

## USDINR MCX-SX CURRENCY CONTRACTS

Contract	Close	% Chg	Volume
AUG0	46.32	-0.070	1765351
SEP0	46.52	-0.064	110759
OCT0	46.72	-0.027	28404

## MCX-SX CROSS CURRENCY CONTRACTS

	Contract	Close	% Chg	Volume
EURINR	MAY'10	61.155	-0.131	178842
GBPINR	MAY'10	73.68	-0.163	16007
JPYINR	MAY'10	53.6925	-0.836	4418

## MAJOR WORLD INDICES

Indices	Close	Chg	% Chg
S&P 500	1125.81	-1.39	-0.1233
NIKKEI 225	9653.92	164.58	1.7344
SHANGHAI COMPOSITE	3254.264	14.696	0.4536
FTSE	5355.5	104.09	1.9821
CNX S&P NIFTY	5447.1	-20.75	-0.3795

## FII ACTIVITY (Rs. cr)

Date	Purchase	Sale	Net
8/5/2010	28353	21167	7186
8/4/2010	34819	29161	5658
8/3/2010	49762	25312	24450
8/2/2010	43551	36773	6778

## USDINR NDF Outright

Months	Close	Change
1 Mn	46.31	0.38
6 Mn	47.18	0.07
12Mn	47.88	-0.01

NDF - Non Deliverable Forward

## COMMENTARY

The Indian rupee eased after trading in a tight range yesterday, as local shares fell, but the euro's recovery triggered fresh dollar supplies from exporters, limiting the local currency's losses.

The benchmark BSE share index snapped a three-day winning streak to close 0.2 percent lower.

The partially convertible rupee ended at 46.18/19 per dollar, slightly weaker than Wednesday's close of 46.16/17. On Tuesday, it had risen to a peak of 46.10, its highest since June 28.

The euro recovered against the dollar, supported by strong demand at a Spanish debt auction and data showing higher-than-expected German industrial orders data. The dollar index against six majors was 0.2 percent lower.

Sentiment was, however, cautious ahead of the U.S. non-farm payrolls data on Friday.

Foreign inflows into the local stock markets is a key driver of the rupee. Foreigners have bought a net \$10.8 billion of domestic equities so far this year, adding to a record \$17.5 billion in 2009.

The Indian rupee should rise early today, helped by firm regional peers and tracking broad losses in the dollar versus majors.

## RBI REFERENCE RATES

	Rate	Change
USDINR	46.23	-0.01
EURINR	60.8	0.27
GBPINR	73.4595	0.2205
JPYINR	53.67	0.39

## DAILY VOLATILITY

	Close	Change
USDINR	0.54	0.01
EUROINR	0.67	0.03

## COMMODITIES

	Close	Change
GOLD	17980	0.00
COPPER	341.5	-1.20
CRUDE	3799	0.08

## MCX-SX SPREAD SHEET

Contract	May-10	Jun-10	Jul-10
May-10	0.2	0.4	0.5575
June-10	0	0.2	0.3575
July-10	0	0	0.1575

## USDINR Onshore Forward Premiums

Months	Close	Change
1 Mn	21	-1
3 Mn	62.75	0.5
12Mn	191.75	2.75



## DEBT MARKET WATCH

Period	Rate	Change
Call money rate	4.5	0.00
Mibor rate	4.83	-0.12
14 day Mibor	5.41	-0.35
3 month Mibor	6.21	-0.41
5 year G-sec	7.734	0.87
10 year G-sec	7.906	0.84
Repo Amount	5.75	0.00
Reverse Repo amount	43.8	27.80
US 5-yr Benchmark	1.5863	1.14
US 10-yr Benchmark	2.9154	0.49
1 month LIBOR	0.29469	-0.21
3 month LIBOR	0.41813	-1.40

## COMMENTARY

The dollar was on the defensive near a 3 1/2-month low against a basket of currencies after weak U.S. jobless claims figures heightened worries that today's payroll data could paint a bleak picture of the U.S. economic recovery.

The euro turned higher against the dollar yesterday, lifted by a successful Spanish debt auction and positive comments about Greece's progress in reducing its deficit from the International Monetary Fund.

The euro also benefited from data showing German industrial orders data rose 3.2 percent in June, surpassing expectations thanks to strong foreign demand.

The European Central Bank and the Bank of England announced policy decisions yesterday; both left interest rates on hold at record lows of 1.0 percent and 0.5 percent respectively.

The dollar index stood at 80.80, down 0.03 percent from previous late U.S. trade and near its Tuesday low of 80.469, its lowest since Mid-April. Yesterday, the U.S. Labor Department reported that the number of Americans filing for initial jobless benefits rose 19,000 to 479,000 last week, the highest level since early April, despite economists' forecast for a fall.

## IMPORTANT ECONOMIC INDICATORS

Indicator	Time	Region	Period	Expected	Prior
CHF Unemployment Rate s.a. (JUL)	5.45	CHF	Monthly	3.9%	3.9%
EUR French Trade Balance (os) (JUN)	6.45	EUR	Monthly	-4.4B	-5.5B
EUR Italian Industrial Production s.a. (MoM) (JUN)	8	EUR	Monthly	0.7%	1.0%
GBP Industrial Production (YoY) (JUN)	8.3	GBP	Monthly	1.9%	2.6%
GBP Manufacturing Production (MoM) (JUN)	8.3	GBP	Monthly	0.4%	0.3%
GBP Industrial Production (MoM) (JUN)	8.3	GBP	Monthly	0.1%	0.7%
EUR German Industrial Production s.a. (MoM) (JUN)	10	EUR	Monthly	0.5%	2.6%
USD Unemployment Rate (JUL)	10.3	USD	Monthly	9.6%	9.5%
USD Change in Non-farm Payrolls (JUL)	10.3	USD	Monthly	-60K	-125K

## STRATEGY

Contract	BUY/SELL	Range	Target 1	Target 2	Stop Loss	
USDINR	June	Buy	46.30-32	46.41	46.460	46.240

## PIVOT TABLE

	Support 2	Support 1	Pivot	Resistance 1	Resistance 2
USDINR Spot	46.050	46.110	46.160	46.240	46.320
USDINR May'10	46.23	46.28	46.34	46.40	46.46
EURINR May'10	60.41	60.78	60.99	61.37	61.58
GBPINR May'10	72.74	73.21	73.77	74.24	74.81
JPYINR May'10	53.40	53.55	53.72	53.87	54.04

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