

SPOT CURRENCY WATCH

Spot rate	High	Low	Close	Change	Prevailing*
USDINR	46.23	46.06	46.21	-0.19	46.21
USDJPY	91.29	91.04	91.15	-0.0012	91.04
EUROUSD	1.3612	1.3589	1.3593	0.0010	1.3607
GBPUSD	1.5519	1.5476	1.5481	0.0016	1.5506
US \$ Index	80.574	80.473	80.528	-0.0460	80.482

*Prevailing prices taken at the time of making the report

USDINR MCX-SX CURRENCY CONTRACTS

Contract	Close	% Chg	Volume
FEB0	46.215	-0.2213	2113465
MAR0	46.2975	-0.2209	270549
APR0	46.4125	-0.2096	171633

MCX-SX CROSS CURRENCY CONTRACTS

	Contract	Close	% Chg	Volume
EURINR	FEB'10	62.91	0.6560	83215
GBPINR	FEB'10	71.5	0.4213	2412
JPYINR	FEB'10	50.66	-0.4862	551

MAJOR WORLD INDICES

Indices	Close	Chg	% Chg
S&P 500	1108.01	-1.16	-0.1046
NIKKEI 225	10400.47	276.89	2.7351
SHANGHAI COMPOSITE	3254.264	14.696	0.4536
FTSE	5355.5	104.09	1.9821
CNX S&P NIFTY	4856.4	11.5	0.2374

FII ACTIVITY (Rs. cr)

Date	Purchase	Sale	Net
2/22/2010	2135.8	1842.4	239.4
2/19/2010	2048.3	2077.2	(28.9)
2/18/2010	2977.0	1753.1	1223.9
2/17/2010	1181.3	924.3	257

USDINR NDF Outright

Months	Close	Change
1 Mn	46.15	-0.05
6 Mn	46.32	-0.17
12Mn	46.71	-0.17

NDF - Non Deliverable Forward

COMMENTARY

The US dollar edged higher against the euro on Monday but fell against the yen as markets worried about fiscal strains in Europe and weighed the possibility of higher U.S. interest rates later this year.

The U.S. dollar consolidated on Tuesday with traders on the sidelines on speculation the Federal Reserve would hose down talk of early monetary tightening, leading some investors to steer clear of the greenback.

Bernanke is scheduled to testify on the U.S. central bank's discount rate hike and monetary policy in general before House of Representatives and Senate committees on Wednesday and Thursday, and investors hope he will clarify the Fed's thinking behind last week's hike in the discount rate.

Reports that Germany's Finance Ministry had prepared a bail-out plan for Greece under which countries using the euro would provide aid worth between 20 billion to 25 billion euros provided a brief boost to the euro earlier in the trading day yesterday.

RBI REFERENCE RATES

	Rate	Change
USDINR	46.16	0.31
EURINR	62.92	-0.36
GBPINR	71.42	0.08
JPYINR	50.34	0.21

USDINR DAILY VOLATILITY

	Close	Change
USD/INR	46.16	-0.31
EURO/INR	62.92	0.36

COMMODITIES

	Close	Change
GOLD	16692	-0.98
COPPER	335.45	-1.74
CRUDE	3699	0.24

MCX-SX SPREAD SHEET

Contract	Mar-10	Apr-10	May-10
Feb-10	0.0825	0.1975	0.245
Mar-10	0	0.115	0.1625
Apr-10	0	0	0.0475

USDINR Onshore Forward Premiums

Months	Close	Change
1 Mn	6.5	1
3 Mn	29.75	3.25
12Mn	112.5	6.5

DEBT MARKETWATCH

Period	Rate	Change
Call money rate	3.25	0.00
Mibor rate	3.28	-0.02
14 day Mibor	3.26	-0.05
3 month Mibor	4.38	-0.14
5 year G-sec	7.304	-0.16%
10 year G-sec	7.846	-0.43%
Repo Amount	0	0.00
Reverse Repo amount	623.65	-35.04
US 5-yr Benchmark	2.4458	0.00%
US 10-yr Benchmark	3.7898	-0.20%
1 month LIBOR	0.22875	0.00%
3 month LIBOR	0.25219	0.10%

COMMENTARY

The rupee snapped a two-day fall to strengthen on Monday, as a rise in local shares raised expectations of a return of portfolio inflows and a weaker dollar triggered buying in the local currency.

However, the rupee lost some gains later during the day as importer's dollar buying came in at lower levels and local shares too shed some points.

The partially convertible rupee ended at 46.21/22 per dollar, off an intraday high of 46.06 and about 0.2 percent stronger than Friday's close of 46.30/31. The benchmark BSE share index ended 0.3 percent higher, after rising as much as 1.4 percent in early deals.

We expect rupee to open slightly weak and USDINR pair is likely to trade in the range of 46.15-46.40 during the day ahead of budget on Friday.

IMPORTANT ECONOMIC INDICATORS

Indicator	Time	Region	Period	Expected	Prior
UBS Consumption Indicator (JAN)	-	CHF	Monthly	-	1.195
French Consumer Price Index (MoM) (JAN)	-	EUR	Monthly	-0.003	0.003
German IFO - Expectations (FEB)	-	EUR	Monthly	100.5	100.6
BBA Loans for House Purchase (JAN)	-	GBP	Monthly	43000	45897
S&P/Case-Shiller US Home Price Index (DEC)	-	USD	Monthly	-	146.3
Consumer Confidence (FEB)	-	USD	Monthly	54.8	55.9
Richmond Fed Manufacturing Index (FEB)	-	USD	Monthly	-	-2
ABC Consumer Confidence (FEB 21)	-	USD	Monthly	-	-49
Merchandise Trade Balance Total (Yen) (JAN)	-	JPY	Monthly	-136.0B	545.3B

STRATEGY

Contract	BUY/SELL	Range	Target	Stop Loss
USDINR FEB	BUY	46.29-46.32	46.40-46.470	46.210

PIVOT TABLE

	Pivot	Support 1	Support 2	Resistance 1	Resistance 2
USDINR Spot	46.17	46.10	45.99	46.27	46.34
USDINR Feb'10	46.17	46.09	45.95	46.30	46.38
EURINR Feb'10	62.90	62.81	62.72	63.00	63.08
GBPINR Feb'10	71.48	71.42	71.33	71.57	71.63
JPYINR Feb'10	50.45	50.25	49.83	50.87	51.07

Disclaimer: This Document has been prepared by N.B. Commodity Research (A Division of Nirmal Bang Commodities Pvt Ltd). The information, analysis and estimates contained herein are based on N.B. Commodities Research assessment and have been obtained from sources believed to be reliable. This document is meant for the use of the intended recipient only. This document, at best, represents N.B. Commodities Research opinion and is meant for general information only. N.B. Commodities Research, its directors, officers or employees shall not in any way be responsible for the contents stated herein. N.B. Commodities Research expressly disclaims any and all liabilities that may arise from information, errors or omissions in this connection. This document is not to be considered as an offer to sell or a solicitation to buy any securities. N.B. Commodities Research, its affiliates and their employees may from time to time hold positions in securities referred to herein. N.B. Commodities Research or its affiliates may from time to time solicit from or perform investment banking or other services for any company mentioned in this document.

For any queries contact on 022 - 3027 1518 / 19 / 20 / 21 / 22