

SPOT CURRENCY WATCH

Spot rate	High	Low	Close	Change	Prevailing*
USDINR	45.54	45.38	45.43	-0.0042	-
USDJPY	90.8	90.56	90.65	0.0003	90.68
EUROUSD	1.3776	1.3737	1.3775	-0.0029	1.3735
GBPUSD	1.5197	1.5161	1.5173	-0.0009	1.5159
US \$ Index	79.947	79.776	79.781	0.1630	79.944

*Prevailing prices taken at the time of making the report

USDINR MCX-SX CURRENCY CONTRACTS

Contract	Close	% Chg	Volume
MAR 10	45.500	-0.3613	2944121
APR 10	45.620	-0.3767	458533
MAY 10	45.720	-0.3487	505246

MCX-SX CROSS CURRENCY CONTRACTS

	Contract	Close	% Chg	Volume
EURINR	MAR'10	62.64	0.35245	162176
GBPINR	MAR'10	68.88	0.17452	3192
JPYINR	MAR'10	50.43	-0.13861	4111

MAJOR WORLD INDICES

Indices	Close	Chg	% Chg
S&P 500	1149.99	-0.25	-0.0217
NIKKEI 225	10751.26	86.31	0.8093
SHANGHAI COMPOSITE	3254.26	14.696	0.4536
FTSE	5355.50	104.09	1.9821
CNX S&P NIFTY	5137.00	3.6	0.0701

FII ACTIVITY (Rs. cr)

Date	Purchase	Sale	Net
3/12/2010	2302.9	1855.9	447
3/11/2010	2717	2298.5	418.5
3/09/2010	4461.3	2201.8	2259.5
3/08/2010	25851	18929	6922

USDINR NDF Outright

Months	Close	Change
1 Mn	45.49	-0.06
6 Mn	45.77	-0.06
12Mn	46.25	0.03

NDF - Non Deliverable Forward

COMMENTARY

The dollar dropped to a one-month low against the euro and a two-week trough against sterling on Friday, as investors pared back large bearish bets on the two European currencies following strong euro zone economic data.

The biggest monthly increase on record in euro zone industrial output in January and an upward revision of figures for December also prompted a modest increase in risk appetite.

Currency speculators trim bets in favour of the dollar for the 2nd straight week but raise bets against the euro to a record high. The value of the dollar's net long position falls to \$3.99 bln in the week ended March 9, from 5.58 bln in the prior week.

Speculators boost bets against the euro to a record 74,551 contracts. Short sterling positions remain elevated, but have eased a bit from the prior week's level, which was the largest since at least Jan. 1999. Specs increase bets in favour of the Australian and Canadian dollars, both expected to do well should the global economy continue to improve and commodity prices rise.

Euro zone finance ministers are likely to agree on Monday on a mechanism for aiding Greece financially, if it is required, but will leave out any sums until Athens asks for them, an EU source said on Saturday.

RBI REFERENCE RATES

	Rate	Change
USDINR	45.45	0.02
EURINR	62.27	-0.25
GBPINR	50.14	17.95
JPYINR	68.49	-18.18

USDINR DAILY VOLATILITY

	Close	Change
USDINR	0.391408	0.000264
EUROINR	0.585522	-0.007644

COMMODITIES

	Close	Change
GOLD	16447	-0.48
COPPER	340.25	0.15
CRUDE	3701	-1.04

MCX-SX SPREAD SHEET

Contract	Apr-10	May-10	Jun-10
Mar-10	0.12	0.220001	0.2700
Apr-10	0	0.100001	0.1500
May-10	0	0	0.0500

USDINR Onshore Forward Premiums

Months	Close	Change
1 Mn	12	-1
3 Mn	35.25	-3
12Mn	129.5	-4.75

DEBT MARKETWATCH

Period	Rate	Change
Call money rate	3.25	0.00
Mibor rate	3.27	0.02
14 day Mibor	3.87	0.39
3 month Mibor	4.62	0.29
5 year G-sec	7.281	0.15%
10 year G-sec	8.013	0.19%
Repo Amount	0	0.00
Reverse Repo amount	218.65	-173.60
US 5-yr Benchmark	2.4035	-0.42%
US 10-yr Benchmark	3.6987	-0.23%
1 month LIBOR	0.23	0.00%
3 month LIBOR	0.25719	0.06%

COMMENTARY

The Indian rupee strengthened on Friday, aided by dollar sales by a large corporate and overall weakness in the U.S. currency, but intermittent dollar purchases by oil firms capped the rise.

The partially convertible rupee ended at 45.43/44 per dollar, from Thursday's close of 45.61/62. Indian shares erased early gains to end nearly flat on Friday, failing to provide clarity on the direction of capital flows.

Furthermore, the rise in pound and euro also lent some support to the rupee. The pound rose against the dollar after an opinion poll suggested the Conservatives would win an outright majority in a general election.

The Indian rupee should open weaker today, tracking gains in the dollar versus major currencies and losses in regional share markets. However, the stock markets would be watched out for the direction in the rupee.

The focus for the day would be on Euro zone which is likely to come out with a mechanism to bail out Greece from the debt problems.

IMPORTANT ECONOMIC INDICATORS

Indicator	Time	Region	Period	Expected	Prior
Rightmove House Prices (MoM) (MAR)	-	GBP	Monthly	-	0.032
Consumer Confidence (FEB)	-	JPY	Monthly	-	39.4
Euro-Zone Employment (QoQ) (4Q)	-	EUR	Quarterly	-	-0.005
Euro-Zone Employment (YoY) (4Q)	-	EUR	Quarterly	-	-0.021
Empire Manufacturing (MAR)	-	USD	Monthly	20	24.91
Net Long-term TIC Flows (JAN)	-	USD	Monthly	-	\$63.3B
Total Net TIC Flows (JAN)	-	USD	Monthly	-	\$60.9B
Industrial Production (FEB)	-	USD	Monthly	0	0.009
NAHB Housing Market Index (MAR)	-	USD	Monthly	17	17

STRATEGY

Contract	BUY/SELL	Range	Target	Stop Loss
USDINR March	Buy	45.50-45.52	45.60-45.720	45.430

PIVOT TABLE

	Pivot	Support 1	Support 2	Resistance 1	Resistance 2
USDINR Spot	45.45	45.36	45.29	45.52	45.61
USDINR Mar'10	45.52	45.42	45.34	45.60	45.70
EURINR Mar'10	62.54	62.38	62.11	62.81	62.97
GBPINR Mar'10	68.79	68.59	68.30	69.08	69.28
JPYINR Mar'10	50.34	50.16	49.89	50.61	50.79

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