

## SPOT CURRENCY WATCH

Spot rate	High	Low	Close	Change	Prevailing*
USDINR	45.81	45.6	45.6	-0.450	-
USDJPY	90.68	90.35	90.44	-0.001	90.37
EUROUSD	1.369	1.3627	1.3629	0.004	1.3688
GBPUSD	1.5186	1.5128	1.5132	0.003	1.5182
US \$ Index	80.402	80.137	80.4	-0.256	80.144

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

## USDINR MCX-SX CURRENCY CONTRACTS

Contract	Close	% Chg	Volume
MAR0	45.715	-0.398	2331196
APR0	45.83	-0.413	441937
MAY0	45.925	-0.407	410482

## MCX-SX CROSS CURRENCY CONTRACTS

	Contract	Close	% Chg	Volume
EURINR	MAR'10	62.1	-0.9569	108290
GBPINR	MAR'10	68.74	-0.4633	1743
JPYINR	MAR'10	51.1125	-1.3224	1454

## MAJOR WORLD INDICES

Indices	Close	Chg	% Chg
S&P 500	1138.7	15.73	1.401
NIKKEI 225	10368.96	223.24	2.200
SHANGHAI COMPOSITE	3254.264	14.696	0.454
FTSE	5355.5	104.09	1.982
CNX S&P NIFTY	5088.7	8.45	0.166

## FII ACTIVITY (Rs. cr)

Date	Purchase	Sale	Net
3/05/2010	2585.1	18929	6922
3/03/2010	3812.7	2278	1534.7
3/02/2010	3678.1	2583.7	1094.4
2/26/2010	2402.1	2645.8	-243.7

## USDINR NDF Outright

Months	Close	Change
1 Mn	45.48	-0.32
6 Mn	46.51	0.69
12Mn	46.38	0.17

NDF - Non Deliverable Forward

## COMMENTARY

The dollar declined broadly against the majors on Friday after a government report showed U.S. employers cut fewer jobs than expected last month, boosting hopes a U.S. economic recovery was still on track.

The renewed optimism also encouraged investors to buy stocks and higher-yielding currencies, such as the Australian and New Zealand dollars. Meanwhile, the euro rose as concerns about Greece's debt crisis ebbed after Thursday's successful debt auction.

The U.S. Labor Department said the economy lost 36,000 jobs in February, leaving the unemployment rate unchanged at 9.7 percent. Analysts polled by Reuters expected 50,000 job cuts and a 9.8 percent jobless rate.

The Malaysian ringgit hit a six-week peak on Friday after the central bank raised interest rates, while the South Korean won climbed on better-than-expected U.S. retail sales and a drop in jobless claims.

The dollar is still the most important currency in the world, China's central bank governor said on Saturday at a press conference on the sidelines of the country's annual parliament.

## RBI REFERENCE RATES

	Rate	Change
USDINR	45.78	0.12
EURINR	62.15	0.43
GBPINR	68.8348	0.1052
JPYINR	51.25	0.4

## USDINR DAILY VOLATILITY

	Close	Change
USDINR	0.372883	0.004559
EUROINR	0.593265	0.0318

## COMMODITIES

	Close	Change
GOLD	16901	-0.32
COPPER	343.45	0.70
CRUDE	3724	0.98

## MCX-SX SPREAD SHEET

Contract	Apr-10	May-10	Jun-10
Dec-09	0.115	0.21	0.285
Jan-09	0	0.095	0.170
Feb-09	0	0	0.075

## USDINR Onshore Forward Premiums

Months	Close	Change
1 Mn	11.75	1
3 Mn	36	1
12Mn	127	4.25

## DEBT MARKETWATCH

Period	Rate	Change
Call money rate	3.25	-1.52
Mibor rate	3.25	0.00
14 day Mibor	3.39	0.01
3 month Mibor	4.53	0.02
5 year G-sec	7.348	0.18%
10 year G-sec	7.973	0.52%
Repo Amount	0	0.00
Reverse Repo amount	845.2	7.75
US 5-yr Benchmark	2.35649991	0.58%
US 10-yr Benchmark	3.70050001	0.41%
1 month LIBOR	0.22906	0.41%
3 month LIBOR	0.25363	0.57%

## COMMENTARY

The Indian rupee posted its biggest weekly gain since early January and closed at its strongest level in more than six weeks buoyed by gains in regional currencies and dollar selling by offshore players.

The partially convertible rupee closed at 45.60/61 per dollar, its strongest since Jan. 19, and 0.4 percent above its previous close of 45.80/81. The rupee has gained 1.1 percent on the week, its best since a 1.9-percent rise seen in the week to Jan. 8.

Shares posted the best weekly gains in 2010 as they closed 0.1 percent higher, taking cues from a rise in global equities, with banks leading the rally, but concerns over stretched valuations limited gains.

Stake sale in NMDC due this week would be crucial for the rupee's direction as good foreign demand is anticipated at the sale. The government is set to sell shares in state-run miner NMDC, the country's largest iron ore producer, to raise about \$3 billion in an offer from March 10 to 12.

We expect USDINR to open at around 45.60 in futures tracking the strength in Asian currencies and the weakness in the dollar overseas. Any rise in share markets will also lend support to the rupee during the day.

## IMPORTANT ECONOMIC INDICATORS

Indicator	Time	Region	Period	Expected	Prior
Unemployment Rate s.a. (FEB)	-	CHF	Monthly	0.041	0.041
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Retail Sales (Real) (YoY) (JAN)	-	CHF	Monthly	0.023	0.047
Euro-Zone Sentix Investor Confidence (MAR)	-	EUR	Monthly	-8.8	-8.2
German Industrial Production s.a. (MoM) (JAN)	-	EUR	Monthly	0.01	-0.026
German Industrial Production n.s.a. and w.d.a. (YoY) (JAN)	-	EUR	Monthly	0.009	-0.071
Fed's Brian Sack Speaks in Arlington, Virginia	-	USD	-	-	-

## STRATEGY

	Contract	BUY/SELL	Range	Target	Stop Loss
USDINR	March	Sell	45.60-45.63	45.46-45.310	46.690

## PIVOT TABLE

	Pivot	Support 1	Support 2	Resistance 1	Resistance 2
USDINR Spot	45.67	45.60	45.51	45.76	45.85
USDINR Mar'10	45.78	45.62	45.54	45.86	46.02
EURINR Mar'10	62.26	61.94	61.77	62.43	62.75
GBPINR Mar'10	68.98	68.49	68.25	69.23	69.72
JPYINR Mar'10	51.11	50.64	50.10	51.62	52.13

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