

## SPOT CURRENCY WATCH

Spot rate	High	Low	Close	Prevailing*	Change
USDINR	47.02	46.56	47.06	-	-0.0108
USDJPY	84.59	84.03	84.16	84.45	0.0034
EUROUSD	1.2697	1.2664	1.2685	1.2694	0.0007
GBPUSD	1.538	1.5337	1.535	1.5375	0.0016
US \$ Index	83.224	83.051	83.146	83.062	-0.0840

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

## USDINR MCX-SX CURRENCY CONTRACTS

Contract	Close	% Chg	Volume
SEP0	47.240002	0.287	2935798
OCT0	47.44	0.291	76580
NOV0	47.622501	0.284	24087

## MCX-SX CROSS CURRENCY CONTRACTS

	Contract	Close	% Chg	Volume
EURINR	AUG'10	59.8625	0.1548	137892
GBPINR	AUG'10	72.7025	-0.7339	11931
JPYINR	AUG'10	55.8	0.7038	20394

## MAJOR WORLD INDICES

Indices	Close	Chg	% Chg
S&P 500	1049.33	0.45	0.0429
NIKKEI 225	8824.06	-325.2	-3.5544
SHANGHAI COMPOSITE	3254.264	14.696	0.4536
FTSE	5355.5	104.09	1.9821
CNX S&P NIFTY	5402.4	-13.05	-0.2410

## FII ACTIVITY (Rs. cr)

Date	Purchase	Sale	Net
8/31/2010	28353	21167	7186
8/30/2010	22130	27866	-5736
8/27/2010	44881	46004	-1123
8/26/2010	32886	56996	-24110

## USDINR NDF Outright

Months	Close	Change
1 Mn	47.28	0.18
6 Mn	47.98	-0.18
12Mn	49.03	0.05

NDF - Non Deliverable Forward

## COMMENTARY

The dollar did not react to the release of minutes of the Federal Reserve's August meeting as it only reinforced the view the Fed is ready to provide additional policy stimulus if the economic outlook weakens.

The yen rose and was on track for its fourth consecutive monthly advance against the dollar yesterday, its longest winning streak in 19 months, as investors shrugged off Japan's latest easing move.

Demand for the safe-haven currency rose in the past month as U.S. Treasury yields tumbled amid mounting signs the economic recovery in the United States was faltering.

The rapid advance, which pushed the yen to a 15-year high this month, prompted Japanese authorities to announce measures on Monday to curb the yen's strength to protect the country's exports.

U.S. economic data this week, including Friday's nonfarm payrolls report, could push the yen higher if they show further deterioration in the economy and weigh on bond yields.

## RBI REFERENCE RATES

	Rate	Change
USDINR	47.08	-0.24
EURINR	59.5	0.17
GBPINR	72.635	0.1427
JPYINR	55.96	-0.83

## DAILY VOLATILITY

	Close	Change
USDINR	0.51	-0.04
EUROINR	0.64	0.03

## COMMODITIES

	Close	Change
GOLD	19134	1.06
COPPER	349.2	-1.38
CRUDE	3450	-2.04

## MCX-SX SPREAD SHEET

Contract	Sept-10	Oct-10	Nov-10
Aug-10	0.2000	0.3825	0.5675
Sept-10	0	0.1825	0.3675
Oct-10	0	0	0.1850

## USDINR Onshore Forward Premiums

Months	Close	Change
1 Mn	20.5	2
3 Mn	61	2
12Mn	194	1



## DEBT MARKET WATCH

Period	Rate	Change
Call money rate	5.05	0.00
Mibor rate	5.06	-0.07
14 day Mibor	5.31	-0.34
3 month Mibor	6.52	-0.38
5 year G-sec	7.668	-0.39
10 year G-sec	7.936	-0.69
Repo Amount	0	0.00
Reverse Repo amount	1.2	-0.30
US 5-yr Benchmark	1.3685	2.81
US 10-yr Benchmark	2.5019	1.29
1 month LIBOR	0.25781	-0.61
3 month LIBOR	0.29563	-0.42

## COMMENTARY

The Indian rupee fell to its lowest level in more than a month yesterday as losses in domestic shares and month-end dollar demand outweighed positive sentiment due to losses in the dollar versus major currencies.

The partially convertible rupee closed at 47.07/08 per dollar, after touching 47.0950, its weakest since July 22, and 0.3 percent weaker than 46.91/92 at close on Monday. The unit fell 1.4 percent in August.

Indian shares fell 0.3 percent yesterday to their lowest close in a month as shaky global markets and concerns about the U.S. economy cast a shadow on the outlook for risk appetite.

Foreign fund flows into stocks have a large impact on the rupee's fortunes and have, so far in 2010, reached \$12.7 billion, in addition to last year's record \$17.5 billion inflows.

The Indian rupee should edge higher today, boosted by strong regional share markets and losses in the dollar versus major currencies overseas.

## IMPORTANT ECONOMIC INDICATORS

Indicator	Time	Region	Period	Expected	Prior
EUR Italian Purchasing Manager Index Manufacturing (AUG)	07:45	EUR	Monthly	53.5	54.4
EUR French Purchasing Manager Index Manufacturing (AUG F)	07:50	EUR	Monthly	54.7	54.7
EUR German Purchasing Manager Index Manufacturing (AUG F)	07:55	EUR	Monthly	58.2	58.2
EUR Euro-Zone Purchasing Manager Index Manufacturing (AUG F)	08:00	EUR	Monthly		
GBP Purchasing Manager Index Manufacturing (AUG)	08:30	GBP	Monthly	57.0	57.3
USD MBA Mortgage Applications (AUG 27)	11:00	USD	Weekly		
USD Challenger Job Cuts (YoY) (AUG)	11:30	USD	Monthly		-57.2%
USD ADP Employment Change (AUG)	12:15	USD	Monthly	20K	42K
USD ISM Manufacturing (AUG)	14:00	USD	Monthly	53.0	55.5

## STRATEGY

Contract	BUY/SELL	Range	Target 1	Target 2	Stop Loss
USDINR	Buy	47.16-18	47.29	47.340	47.060

## PIVOT TABLE

	Support 2	Support 1	Pivot	Resistance 1	Resistance 2
USDINR Spot	46.850	46.960	47.020	47.120	47.190
USDINR Aug'10	47.05	47.15	47.22	47.32	47.38
EURINR Aug'10	59.54	59.70	59.81	59.97	60.08
GBPINR Aug'10	72.38	72.54	72.77	72.93	73.16
JPYINR Aug'10	55.42	55.61	55.80	55.99	56.18

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