Anagram
Decisive Thinking Pays

CURRENCY CORNER

05th Aug 2009

CURRENCY COMMENT

30 MIN NSE AUG USDINR

PERSPECTIVE

Recap: Indian rupee edged lower Tuesday nearly 0.24 percent off its early highs of 47.43 – strongest since june 12 as weakness across Asia and Europe dragged local equities deep into the red. The rupee ended at 47.73/74 per dollar vs previous day's close of 47.63 after the euro fell against the U.S. unit and on losses in local equities. With crude oil prices threatened to stay above $70 mark at spot market, dollar was buoyed by hefty buying from oil importers which pressurized rupee. Apart from this, the central bank had been suspected to have intervened heavily around 47.50 to cap rupee's sharp appreciation. On equity side, India's main index fell 93.25 points to 15830 as it got hit from heavy profit taking in riskier assets and sharp recovery in dollar.

View: Narrow range in the dollar overnight against majors gave hardly any virtual direction from trading perspective. All major allies moved in a tight range, but dollar was seen paring most of its losses against yen after the pair bounced back above 95 levels and reach above the previous day's top at 95.46. Further, mixed cues from European as well as Wall street resulted in a choppy session on Tuesday. At home, Indian rupee is likely to open higher and USDINR (Aug) at 47.71 vs 47.82 previous close, however negative stocks can dampen sentiments for rupee. Immediate support to the pair is seen at 47.67 and 47.55. While 47.90 and 48.00 still remains the key resistance. For intraday the pair is expected to move in a band of 48.00-47.66.

CURRENCY MOVEMENT

	OPEN	HIGH	LOW	Close	CHG	Open Int	CHG	Volume	CHG
INR Future (AUG)	47.5950	47.8350	47.5050	47.8200	-0.08	310972	2257	983360	29747
INR Spot	47.4200	47.7550	47.4200	47.7550	-0.11				
1 Month Forward	47.4350	47.8025	47.2900	47.5900	-0.14				
12 Month Forward	48.3300	48.8040	48.1650	48.5400	-0.14				

FII INVESTMENT IN EQUITY

(RS CRORE)	GROSS PURC.	GROSS SALE	NET FLOW
4-Aug	1827	1351	476

RBI FIXING RATES

CURRENCY	EURO	POUND	100 YEN
Rupee	68.8339	80.9134	50.1263

OTHER MARKETS

POINTS	CLOSE	CHANGE
Sensex	15830.98	-93.25
Nifty	4680.5	-30.90
Dow Jones	9320.19	33.63
Crude Oil ($/B)	71.42	0.37
Gold ($/Oz)	969.7	-1.80

ECONOMIC INDICATORS

COUNTRY	INFLATION	INT RATE	GDP	IND. PR.
India	-1.54	4.75	5.80	2.70
U.S.	-1.40	0.25	-1.00	-0.40
Europe	1.80	0.50	-5.60	-11.90
China	-8.00	5.31	7.90	10.70
Japan	-1.80	0.10	-14.20	-23.40

INDIAN DATA WATCH

DATE	DAY	LOCAL/GMT	EVENT	PERIOD	PREVIOUS	FORECAST
03-Aug-09	Monday	1115/0545	PMI data	July	55.34	--
03-Aug-09	Monday	1200/0630	Trade balance	June	-$5.2 bln	--
06-Aug-09	Thursday	1600/1030	WPI	25-Jul	-1.54 pct	--
07-Aug-09	Friday	1700/1130	Forex reserves	31-Jul	$267.71 bln	--

INTRADAY CALLS COVERED

DATE	RECO	RECO. PRICE	COVERING PRICE	GAIN/ LOSS	LOT SIZE	MRGN %	MRGN MONEY	PER CNTRCT	ROI (%)	TARGET ACHVD
USDINR (Aug)	Short	47.74	47.67	0.08	1000	4%	1910	75	3.93%	Booked
USDINR (Aug)	Long	47.71	47.77	0.06	1000	4%	1908	60	3.14%	Booked
USDINR (Aug)	Long	47.64	47.61	-0.03	1000	4%	1906	-30	-1.57%	SL Trgd

CURRENCY TEAM

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