

CURRENCY CORNER

CURRENCY COMMENT

120 MIN NSE USDINR (MAR)



TODAY'S TRADING RANGE
45.60-45.82

PERSPECTIVE

Recap: Indian rupee snapped past two sessions winning streak to trade lower late on Tuesday, mostly in line with the regional currencies as Asian central banks were spotted stepping into the market again towards the end of the session to support the dollar. Meanwhile poor performance of equities at European bourses was also key reason for adding pressure on rupee as it helped dumping local equities down into negative territory warying investors that fresh capital inflows may halt for a while unless there persist enough confidence in global markets.

On global front, Dollar regained its strength as Greece came back into spotlight ahead of Greek PM Papandreou's meeting with US President Obama later in the day. Moreover it further extended its gains after from GBP which skid after UK house price survey showed weaker than expected result followed by Moody's warns of a risk to UK banks, and the latest opinion polls suggest that the risks of a hung parliament remains high.

At last trade, Rupee ended at 45.6250/6350 per dollar, about 0.2 percent weaker than its 45.53/54 close on Monday. It had hit a high of 45.38 intraday on Monday, its strongest since Jan. 12.

SUPPORT

45.54

RESISTANCE

45.42

45.72

45.82

View

Indian rupee may open with moderate gains at local bourses as support comes in by gains in the regional currencies. However over the course of the day, it may weaken following importers buying in spot market. At global bourses, Yen --- which is the driving factor in FX market need to be watched closely for further cues as appreciation in the currency would hurt yen crosses adding more pressure on riskier currencies like EUR, AUD, GBP including rupee. While depreciation in yen would favor dollar first and then gradually help its crosses to come up. So, we expect Indian rupee to initially rise but gradually weaken as the session comes to an end. At futures front, USDINR (Mar) is likely to open around 45.62 vs 45.69, yesterday's close. Traders can buy around those levels (45.62) for a target of 45.80 and place stop loss of 45.54.

MARKETS

Points	Close	Chg
Sensex	17052.54	-50.06
Nifty	5101.5	-22.5
Dow Jones	10564.38	11.86
Crude Oil (\$/B)	81.49	-0.28
Gold (\$/Oz)	1122.3	0.20
DXY	80.592	0.02

FII INVESTMENT IN EQUITY

Date	Gross Purch	Gross Sale	Net Flow
9-Mar	4461	2202	2259

RBI FIXING RATE

CURRENCY	EURO	POUND	100 YEN
Rupee	61.78	67.97	50.48

Equity & Money Markets

Indian shares ended slightly lower Tuesday in the absence of fresh triggers, with Tata Motors, Reliance Industries and metal stocks pacing the losses. The Bombay Stock Exchange's Sensitive Index lost 50.06 points, or 0.3%, to end at 17,052.54. The index was trading largely flat through the day, moving in a tight range of 17,031.21 and 17,130.83.

CURRENCY MOVEMENT

	Open	High	Low	Close	Chg	Open Int	Chg	Volume	Chg
USDINR (Mar)	46.36	46.36	45.54	45.69	-0.03	447809	10018	3567959	1188060
USDINR (Spot)	45.51	45.64	45.47	45.64	0.02				
EURINR (Mar)	62.10	62.20	61.95	62.02	-0.14	18940	3337	203829	95539
EURINR (Spot)	62.06	62.10	61.74	61.86	-0.11				

INDIAN DATA WATCH

DATE	DAY	LOCAL	EVENT	PERIOD	PREVIOUS	FORECAST
11-Mar	Thursday	12:00	Primary Articles WPI YOY	Feb 27	15.00%	--
11-Mar	Thursday	12:00	Fuel Power Light Articles WPI YOY	Feb 27	9.59%	--
12-Mar	Friday	--	Industrial Production YOY	Jan	16.8%	--

TODAY'S GLOBAL DATA WATCH

COUNTRY	ECONOMIC EVENT	MONTH	LOCAL	CONCENSUS	PREVIOUS
JN	Machine Orders (MoM)	JAN	5:20	-3.50%	20.10%
GE	Consumer Price Index (MoM)	FEB F	12:30	0.20%	0.20%
FR	Industrial Production (MoM)	JAN	13:15	0.20%	-0.10%
IT	Industrial Production sa (MoM)	JAN	14:30	0.60%	-0.70%
UK	Industrial Production (MoM)	JAN	15:00	0.20%	0.50%
IT	GDP (QoQ)	4Q F	15:30	-0.20%	0.60%
US	MBA Mortgage Applications	6-Mar	17:30	- -	14.60%
US	Bloomberg Global Confidence	MAR	17:30	- -	54.89
US	Wholesale Inventories	JAN	20:30	0.20%	-0.80%

Global Eco. Event

- **U.K. retail sales** rose sharply in February from a year earlier, but while non-food sales recovered after being hampered by the snowy weather in January, the British Retail Consortium said the stronger performance compared with a weak outcome in February last year when sales were hit by bad weather. The BRC said like-for-like sales rose 2.2% on the year in February after falling 0.7% in January. Total sales, which include new stores, rose 4.5% from February 2009 after a 1.2% gain a month earlier.
- **U.K. house prices** rose at a sharply slower pace in February from a month ago as the number of new properties coming on to the market significantly outpaced the level of new buyer inquiries. The RICS survey showed that, in seasonally adjusted terms, the proportion of surveyors reporting a rise in house prices exceeded the proportion reporting a fall by 17 percentage points in February. That compared with a revised balance of +31 in January and was the lowest level since +9.4 in August 2009.

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