

CURRENCY COMMENT



View

Aggressive selling by Foreign banks in final hours of the session lead the rupee close weak to 45.80. World Central Banks are on the way to rescue the Financial firms from credit crisis and this is improving the sentiment for investing in Equity Markets. Rupee appreciation is likely to continue further. **USDINR has next resistance at 46.3 and 46.5 and support at 45.6 and 45.3.**

CURRENCY METER

Factor	Description	Effect on Rupee
Fundamental	Inflation not easing still was recorded was 12.14% for the week ended Sep 6th.	Negative
RBI Measures	RBI injected 823 bn Rupees of liquidity for 3 days in the banking system	Positive
Other Economies	Major Equity Indices rose with Russia rising 20%, China and Hongkong 10%, India 5%	Positive
Uncertain Event	FED, ECB, BOJ injected \$247 bn in the financial system and this lead to recovery in Global Equity Markets and other asset class	Positive
RBI Intervention	The RBI has provided further support via its liquidity adjustment facility (LAF) as of Sep 17th, whereby banks can obtain additional liquidity under this facility, up to 1% of their net demand and time liabilities	Positive

CURRENCY MOVEMENT

	Open	High	Low	Close	Open Int	Volume
INR Future (Sept)	46.4000	46.4575	45.7900	45.8900	44739	54284
INR Spot	46.1950	46.4050	45.7550	45.8300		
1 Month Forward	46.8801	46.8801	40.4101	45.4500		
12 Month Forward	47.6100	47.8850	46.6150	46.6150		

FII INVESTMENT IN EQUITY

(Rs Crore)	Gross Purc.	Gross Sale	Net Flow
19-Sep	3762	5096	-1334

RBI FIXING RATES

Currency	Euro	Pound	100 Yen
Rupee	66.2805	83.9376	42.6500

OTHER MARKETS

Points	Close	Change
Sensex	14042.32	779.42
Nifty	4245.25	237.00
Dow Jones	11388.44	778.78
Crude Oil (\$/B)	104.55	7.39
Gold (\$/Oz)	864.7	14.20

ECONOMIC INDICATORS

Country	Inflation	Int Rate	GDP	Ind. Pr.
India	12.14	6.00	7.90	7.10
U.S.	5.40	2.00	3.30	-1.10
Europe	4.70	5.00	1.40	-1.90
China	8.20	7.20	10.10	12.80
Japan	2.30	0.50	-3.00	2.40

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