

| INSTRUMENT                  | LAST PRICE | 1 DAY  | 1 MONTH | 1 YEAR |     |
|-----------------------------|------------|--------|---------|--------|-----|
| USD/INR                     | 70.58      | 0.02%  | -1.2%   | -3%    |     |
| EUR/INR                     | 77.17      | 0.02%  | -2.1%   | -10%   |     |
| GBP/INR                     | 86.74      | -0.06% | 0.4%    | -10%   |     |
| JPY/INR                     | 65.37      | 0.02%  | -2.9%   | 2%     |     |
| EUR/USD                     | 1.0934     | -0.05% | -0.3%   | -6%    |     |
| GBP/USD                     | 1.2290     | -0.02% | 1.9%    | -6%    |     |
| USD/JPY                     | 107.92     | 0.00%  | 1.6%    | -6%    |     |
| USD/CNH                     | 7.13       | -0.17% | -1.0%   | 3%     |     |
| 10 YR YIELD- IN             | 6.71       | (0.03) | 0.15    | (1.32) |     |
| 10 YR YIELD- USA            | 1.68       | 0.00   | 0.18    | (1.38) |     |
| GOLD (\$/Oz)                | 1,493      | -0.3%  | -2%     | 26%    |     |
| SILVER (\$/Oz)              | 17.42      | -0.7%  | -6%     | 20%    |     |
| BRENT CRUDE (\$/Brl)        | 61.94      | 0.0%   | 2%      | -25%   |     |
| COPPER 3M (\$/Ton)          | 5767       | 0.8%   | 1%      | -7%    |     |
| NIFTY                       | 11430      | -0.7%  | 3.7%    | 4.6%   |     |
| HANGSENG                    | 26089      | 0.5%   | 1.4%    | -6.1%  |     |
| S&P 500                     | 2962       | -0.5%  | 1.2%    | 1.6%   |     |
| INR 1M FWD                  | 0.24       | 0.00   | 0.01    | (0.06) |     |
| INR 3M FWD                  | 0.69       | (0.01) | (0.05)  | (0.14) |     |
| INR 12M FWD                 | 3.06       | 0.01   | 0.04    | (0.02) |     |
| USDINR 1 MONTH ATM IV       | 6.47       | 0.15   | (0.19)  | (0.79) |     |
| USDINR 3 MONTH ATM IV       | 6.51       | 0.03   | (0.16)  | (0.76) |     |
|                             |            | 1 DAY  | MTD     | QTD    | CTD |
| FII INVESMENT- EQ (\$ Mn)   | 1,570      | 1,040  | (3,093) | 8,246  |     |
| FII INVESMENT- DEBT (\$ Mn) | (206)      | (107)  | 2,712   | 4,141  |     |
| TOTAL (\$ Mn)               | 1,364      | 933    | (381)   | 12,386 |     |

| CURRENCY | ECONOMIC DATA         |
|----------|-----------------------|
| GBP      | Manufacturing PMI     |
| USD      | ISM Manufacturing PMI |

### TECHNICAL VIEW

#### Currency pair ==> USDINR spot

View = Choppy downtrend. Key reversal level at 71.14 on spot.

Trade = A bullish reversal candle formed on a support zone around 70.50 on spot. However, need the pair to trade above 70.96 to opt for fresh long in USD. Below 70.96, it is a range of 70.50 and 70.96 on spot.

#### Currency pair ==> GBPJPY spot

View = Intermediate trend remains bullish

Trade = Buy between 132.00/132.30 TP 134.00/134.50 SL 131.00

### MACRO VIEW

- Yesterday, Nifty and Sensex closed nearly half a percent lower, in a sell-off lead by financial stocks. Even the mid-cap and small-cap indices were down over a percent. Indian Rupee did a somersault against the US Dollar, as the central bank stepped into buy Dollars and some large corporates joined in the bid to cover their Dollar payables. USDINR bounced towards 70.88 on spot, after making a low of 70.35 levels. Though the trend has been downward since the peak of 72.00 a couple of weeks back, but the path has been extremely choppy. It is an ideal condition for compulsive clients to lose money. GOIsec 10 year closed at 6.70%, down 3 bps.
- India's core sector growth declined by 0.5% during August. With the contraction in core sector output, degrowth in auto production and weakness in non-oil merchandise exports, IIP growth can be another shocker for the month of August.
- India's fiscal deficit touched INR 5.54 lakh crore at the end of August, which was 78.7 per cent of the budget estimate for 2019-20. The deficit was at 86.5 per cent of the FY19 budget estimate in corresponding month a year ago. The government has decided to stick to its borrowing plan for long dated securities. It will borrow Rs2.68 tn in second half of FY20 (net market borrowing of Rs1.33 tn) as against Rs2.83 tn in 2HFY19. Meanwhile, the government has increased the gross short-term borrowing through T-bills. However, with revenue growth way below budget estimates, both for direct taxes as well as for indirect taxes, GoI may go for a higher borrowing during the fourth quarter. Having said that, GoI has some options to avoid a major increase in borrowing in dated securities, as it can tap a mix of NSSF, more T-bills and even lower buy backs. GoI has ruled out foreign currency bonds in FY20. All these numbers will be positive for the long dated bonds. However, Rupee bulls may not like the news of no dollar bonds as of now. This also opens the door for RBI to lower rates more than 25 bps in the October monetary policy to support growth.
- US stocks closed 0.50%-0.75% higher on the back of US denying any measures of restricting capital flows from and to China. US Yield curve remains steeper from the belly to long end (5-30 year), auguring well for risk assets.
- Asian stocks are trading higher. Chinese markets are shut today. SGX Nifty is pointing towards a 30 point higher open for the onshore Nifty. USDINR is trading lower in NDF.
- Brent crude oil futures have fallen sharply overnight from 62 to 59 dollars a barrel, which augurs well for Indian bonds and Rupee too. Gold is down at 1474 dollars on active month futures on CME.

\*\*\* CHART ON NEXT PAGE \*\*\*

O:70.7300 H:70.8150 L:70.7300 C:70.7700 UC:-0.0950

# USDINR SPOT- DAILY

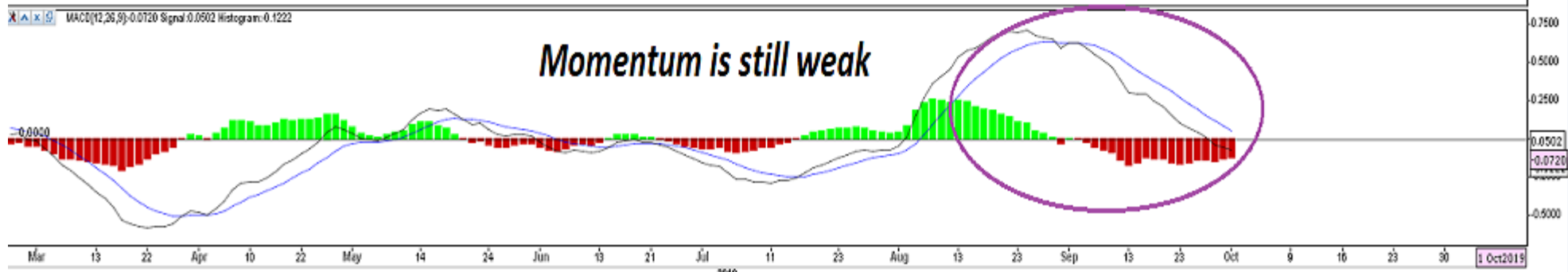


*Breakout above 70.96. Till then it is a range @ 70.50 and 70.96 on spot*

@TickerPlant-Forex USDINRCOMP(Daily:1 Year)

MACD(12,26,9)-0.0720 Signal:0.0502 Histogram:0.1222

*Momentum is still weak*



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