

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR	
USD/INR	68.43	-0.06%	1.9%	5%	
EUR/INR	79.77	-0.02%	1.3%	8%	
GBP/INR	90.18	0.17%	0.4%	7%	
JPY/INR	61.73	-0.47%	0.8%	7%	
EUR/USD	1.1656	-0.24%	-0.4%	3%	
GBP/USD	1.3179	-0.21%	-1.0%	2%	
USD/JPY	110.85	0.08%	0.9%	-2%	
USD/CNH	6.6435	0.12%	3.6%	-2%	
10 YR YIELD- IN	7.87	(0.03)	0.03	1.36	
10 YR YIELD- USA	2.85	(0.01)	(0.05)	0.55	
GOLD (\$/Oz)	1,251	-0.1%	-3%	3%	
SILVER (\$/Oz)	16.04	-0.5%	-2%	-1%	
BRENT CRUDE (\$/Brl)	78.12	-1.4%	2%	63%	
COPPER 3M (\$/Ton)	6626	0.0%	-3%	12%	
NIFTY	10676	-0.36%	-0.19%	12%	
HANGSENG	28955	1.61%	-5.04%	12%	
S&P 500	2718	0.08%	-0.59%	12%	
INR 1M FWD	0.23	0.00	(0.01)	(0.02)	
INR 2M FWD	0.50	(0.00)	0.03	(0.02)	
INR 3M FWD	0.72	0.00	0.04	(0.05)	
INR 6M FWD	1.46	(0.01)	0.08	(0.03)	
INR 12M FWD	2.95	0.03	0.23	0.02	
		1 DAY	MTD	QTD	YTD
FII INVESTMENT- EQ (\$ Mn)	(98)	(630)	(3,000)	(875)	
FII INVESTMENT- DEBT (\$ Mn)	(144)	(1,626)	(6,360)	(6,115)	
TOTAL- (\$ Mn)	(243)	(2,257)	(9,361)	(6,990)	

CURRENCY	ECONOMIC EVENT
GBP	Manufacturing PMI
USD	ISM Manufacturing PMI

INDIA NEWSWIRE

- Revenue collections for May from the goods and services tax (GST) have come in at Rs 95,610 crore, of which Rs 31,645 crore will flow into central kitty and Rs 36,683 crore will go to the states. Collections for April were Rs 94,016 crore while the average for the last fiscal stood at just below Rs 90,000 crore. Outgoing Chief Economic Advisor Arvind Subramanian said that now that revenues have stabilised, the process of bringing down GST to a three-rate system should be sooner than expected.

WORLD NEWSWIRE

- German chancellor Angela Merkel's political future is in question as her coalition CSU rejects migration deal and the interior minister offered to resign. If the CSU withdraws from the coalition, Merkel will be without a majority in Parliament, leading to fresh elections.
- China's Caixin/Markit Manufacturing Purchasing Managers' index (PMI) declined to 51.0 in June from May's 51.1. The survey showed new export orders contracted for the third straight month and the most in two years

FX VIEW

Rupee to open marginally weaker, around 68.54 on spot, as there is slight risk off mood across global equities. Asian currencies are trading flat against USD. Oil prices are down a percent after tweet from US President asking Saudi Arabia to hike output by 2 mbpd. There is a political uncertainty in Germany, which too may be affecting the risk sentiments. Chinese currency (CNH) is trading weak, around 6.64 against USD. For the week, Rupee will take cues from the trend in local equity market and global equity markets as well as whether oil prices head lower or retrace all of the Monday losses and scale above 80 or not. Trend is CNH remains an additional factors. Our medium term view continues to remain negative on Rupee. We have been bearish on Rupee since February on account pre-election year political risk, aggressive tightening from Fed and trade war. A lot more INR negative factors have emerged since then, especially with oil and our own monetary policy tightening. Hence, unless oil prices correct meaningfully, we expect USDINR to form a base between 67.00 to 69.00, before making a run for 71.50/72.00 levels later during the year. Within that large range, we can expect 68.00 to 69.00 to become immediate play ground. In case, USDINR breaks below 68.00, then only we can expect that the pair is going to expand the range to 67.00 and thereabout levels.

For the week, we can expect further selling on USDINR as the pair has failed to sustain above 68.85 levels (previous all time highs). As a result, we would expect the pair can test 68.00 levels on spot, which if breaks can look for 67.70/75 levels on spot. In case the pair reverse direction and start trading above 68.55, one can play USD long for a re-test of 68.85/90 levels on spot.

Major currencies, Euro is expected to weaken towards 78.50/79.00 levels on spot, where fresh longs can be considered with stops below 78.00 on spot. On GBPINR, we would look to buy between 89.40/70 zone on spot with stops below 89.00 on spot. ON JPYINR, we would look to buy between 60.30/60 zone with stops below 60.00 on spot. In case JPYINR breaks below 60.00 and holds, we would reverse to short for a target of 59.00. For the week, in economic data, India PMI for June will be released, where improvement is expected. Core sector growth for May too is expected to show improvement. At the same time, US jobs data will be keenly watched. GBP traders will need to watch manufacturing and services PMI from UK.

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