

| INSTRUMENT                   | LAST PRICE   | 1 DAY      | 1 MONTH    | 1 YEAR     |
|------------------------------|--------------|------------|------------|------------|
| USD/INR                      | 69.32        | 0.38%      | 0.5%       | 1%         |
| EUR/INR                      | 76.76        | 0.68%      | -1.5%      | -4%        |
| GBP/INR                      | 83.82        | 0.20%      | -3.8%      | -7%        |
| JPY/INR                      | 64.69        | 0.54%      | 1.2%       | 5%         |
| EUR/USD                      | 1.1074       | -0.10%     | -1.9%      | -4%        |
| GBP/USD                      | 1.2092       | -0.30%     | -4.0%      | -7%        |
| USD/JPY                      | 107.02       | -0.30%     | -0.8%      | -4%        |
| USD/CNH                      | 6.9575       | 0.04%      | 1.0%       | 1%         |
| 10 YR YIELD- IN              | 6.34         | (0.08)     | (0.50)     | (1.38)     |
| 10 YR YIELD- USA             | 1.88         | (0.02)     | (0.10)     | (1.11)     |
| GOLD (\$/Oz)                 | 1,432        | -0.9%      | 1%         | 19%        |
| SILVER (\$/Oz)               | 16.18        | -0.9%      | 6%         | 6%         |
| BRENT CRUDE (\$/Brl)         | 62.08        | 2.6%       | -1%        | -15%       |
| COPPER 3M (\$/Ton)           | 5899         | -0.5%      | -1%        | -4%        |
| NIFTY                        | 10871        | -0.99%     | -8.73%     | -3%        |
| HANGSENG                     | 26945        | -2.25%     | -6.69%     | -3%        |
| S&P 500                      | 2954         | -0.90%     | -0.65%     | 4%         |
| INR 1M FWD                   | 0.22         | 0.00       | (0.03)     | (0.03)     |
| INR 2M FWD                   | 0.45         | 0.00       | (0.06)     | (0.08)     |
| INR 3M FWD                   | 0.69         | (0.01)     | (0.08)     | (0.05)     |
| INR 6M FWD                   | 1.43         | (0.02)     | (0.17)     | (0.08)     |
| INR 12M FWD                  | 2.97         | (0.03)     | (0.30)     | (0.05)     |
|                              | <b>1 DAY</b> | <b>MTD</b> | <b>QTD</b> | <b>CTD</b> |
| FII INVESTMENT- EQ (\$ Mn)   | (213)        | (1,934)    | (1,934)    | 9,405      |
| FII INVESTMENT- DEBT (\$ Mn) | 124          | 1,226      | 1,226      | 2,654      |
| TOTAL- (\$ Mn)               | (89)         | (709)      | (709)      | 12,059     |

| CURRENCY | ECONOMIC DATA              |
|----------|----------------------------|
| USD      | Non-Farm Employment Change |

#### INDIA NEWSWIRE

- The government will go ahead with its plan to issue overseas sovereign bonds. It will do so in tranches.

#### WORLD NEWSWIRE

- US President Trump will make an announcement on EU trade today.

#### FX VIEW

Trump, Tariffs & China, three words that changed the picture in a matter of few minutes last night. US president announced that US will levy 10% tariffs on the untaxed 300 billion dollars of imports from China. The new tariff will be imposed beginning 1 September, Trump said in a tweet. Another \$250 billion in Chinese goods are already subject to a 25% U.S. tariff. This move followed after Treasury Secretary Steven Mnuchin and US Trade Representative Robert Lighthizer returned from talks with Chinese counterparts in Shanghai this week without reporting much progress. US has increased the pressure on the Chinese economy by a notch. China may retaliate through non-tariff curbs and also can allow the Yuan to depreciate past 7 handle against USD.

US administration will be watching the Chinese currency closely. If the Yuan drops sharply against USD and cause panic in the global currency markets and global equity market, US can issue warning. Gradually the gloves are coming off in the currency-trade-political war between China and US.

NDF is showing USDINR at 69.00 levels, possibly on account of a 7% plunge in crude oil prices. However, Dollar Yuan ( CNH) is inching closer to 7 handle, currently trading at 6.96. Keep an eye over there, as weakness in Yuan is negative for Rupee. Global stocks are bleeding with major indices down around 2%, following in the footsteps of US equities overnight. Fall in global equity can take a toll on Nifty as well, which is another negative for Rupee. However, inspite of these factors, Rupee is not showing much movement possibly due to inflows in debt. At the same time high carry is preventing traders from aggressively shorting INR. Having said that, weak equity and weak global sentiment can weaken Rupee against USD, towards 69.50/70 over the short term. Hence, we would be keen to buy any dip towards 68.80/69.00 zone with a closing stop below 68.80 n spot.

News flow from the Indian economy continues to look bleak. Yesterday, passenger car sales fell by 30% in July. Eleven out of twelve months, PV sales have contracted. In other news, GST revenues continued to fall short of Gol's target, coming at barely above 1 lakh crore for July. In an interview, Mr.A M Naik, chairman of Larsen & Toubro, the country's largest engineering conglomerate, said that economy is far weaker than what GDP numbers and RBI' capacity utilisation suggests. He expects turnaround to take 18 months or more. Amongst all these negative newflow, the only positive development was that manufacturing PMI showed improvement in July on the back of increased order flow and output. Having said that, the recovery may not sustain as household demand remains subdued.

#### TECHNICAL VIEW & RUPEE CROSSES:

Primary downtrend is intact in USDINR. However, short term trend is looking upward. Prices can test the downward sloping channel and even the cloud resistance, hovering just above it. Therefore, buy on dip, for a target of 69.50/70 on spot. In Rupee crosses, EURINR & GBPINR remain in downtrend. Sell on rise. JPYINR continues to be bullish. Buy on dip, as long as above 62.80/63.00 on spot.

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

Japanese Yen / Indian Rupee - 1W - IDC 00.63366 H0.64830 L0.63139 C0.64674 +0.01338 (+2.11%)

Fractals (240) 0.00000 0.00000 n/a

Ichimoku (9, 26, 52, 26) 0.64039 0.63392 0.64674 0.63747 0.62261

## JPYINR SPOT- WEEKLY



*Bias remains bullish. Prices are holding above a bullish cloud. Higher lows intact. Trend reverses below 62.80 on spot. Breakout above 65.00 level*

Source: TradingView

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