

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	73.45	-0.68%	0.7%	12%
EUR/INR	83.63	-0.37%	-1.2%	10%
GBP/INR	94.67	0.19%	-0.5%	9%
JPY/INR	65.16	-0.03%	1.6%	13%
EUR/USD	1.1397	-0.10%	-1.3%	-2%
GBP/USD	1.2990	-0.17%	0.1%	-1%
USD/JPY	112.72	0.00%	-0.8%	-1%
USD/CNH	6.9288	0.17%	0.6%	5%
10 YR YIELD- IN	7.82	(0.03)	(0.17)	0.93
10 YR YIELD- USA	3.14	0.01	0.08	0.79
GOLD (\$/Oz)	1,232	-0.1%	2%	-3%
SILVER (\$/Oz)	14.66	-0.6%	0%	-14%
BRENT CRUDE (\$/Brl)	72.57	-0.4%	-14%	20%
COPPER 3M (\$/Ton)	6090	1.6%	-3%	-12%
NIFTY	10380	-0.06%	-5.70%	0%
HANGSENG	26018	2.37%	-4.09%	-9%
S&P 500	2740	1.06%	-6.26%	6%
INR 1M FWD	0.26	(0.01)	(0.04)	0.01
INR 2M FWD	0.54	0.00	(0.01)	0.04
INR 3M FWD	0.76	(0.03)	(0.07)	0.01
INR 6M FWD	1.57	(0.02)	(0.02)	0.09
INR 12M FWD	3.05	(0.07)	(0.04)	0.17
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	(54)	(3,752)	(3,752)	(5,758)
FII INVESTMENT- DEBT (\$ Mn)	(96)	(1,352)	(1,352)	(8,461)
TOTAL- (\$ Mn)	(150)	(5,104)	(5,104)	(14,219)

CURRENCY	ECONOMIC DATA
GBP	Construction PMI
USD	NFP

### INDIA NEWSWIRE

1. Manufacturing PMI rose to 53.1 in October from 52.2 in September and it was underpinned by strong growth in new orders and an increase in employment growth. A reading above 50 denotes expansion from the previous month.

### WORLD NEWSWIRE

1. BOE chief Carney said that economic outlook will depend significantly on terms of the UK's exit from the EU. He said that a faster pace of rate hikes would be needed in the years ahead if a smooth Brexit deal was negotiated.

### FX VIEW

Macro landscape is looking quite healthy for the Rupee. Brent crude is trading at 72 dollars a barrel, down a little over 16% from its recent 52 week high of 86 dollars a barrel. There is constructive dialogue between Chinese President and US President ahead of G-20 in Argentina. There are reports of more monetary easing from China, which as long as it not adversely impacting the Yuan, is quite positive for the EM assets.

Majors like Euro, Swiss Franc and Pound has rallied against USD and even commodity currencies like Australian Dollar and Kiwi Dollar is off their recent lows. Asian currencies are showing some strength against USD. Global equity markets are rising, and EM bonds yields are benign. A conducive atmosphere for Rupee to strengthen.

Market could be positioning itself ahead of the US midterm polls next week. If Democrats take the House, risk of political stalemate can adversely impact Dollar. However, if Republicans retain control of House and Senate, it can give a boost to USD as it can mean that President Trump's will pursue existing controversial policies doggedly.

Though there are variety of factors which can affect the value of Rupee but two markets which mostly shape the trend are:

- 1) How is Dollar doing against major currencies: captured by the equal weighted Dollar Index (kindly check the next page)
- 2) Oil prices: Brent crude

Therefore, as long as oil is not resuming the uptrend and or Dollar is storming back, it does not pays to be short the carry on Rupee. Therefore, there is a high likelihood that Rupee can attempt a close below the key support zone of 73.00 on spot. If it manages to do that, the pair can aim for 72.50 and even 72.00 levels. Resistance around 73.50 and 74.00

### TECHNICAL VIEW & RUPEE CROSSES:

Technically, USDINR remains in a primary uptrend. However, we will abandon this view if the pair were to close below 72.90/73.00 on spot. Resistance remains around 73.50 and close to 74.00 on spot. On Rupee crosses, EURINR, uptrend is intact as long as spot is above 81.50 on spot. On GBPINR, uptrend is intact above 92.00 on spot. On JPYINR, uptrend is intact as long as prices hold above 63.50 on spot.

\*\*\* Please turn to the next page for the chart of the day \*\*\*



With oil calling for a stronger INR, if USD cracks post elections, then INR can strengthen quite sharply, unless a major India specific risk emerges, viz., credit event in the shadow banking sector or a political risk. Therefore, USDINR to ignore crude, it needs the Dollar to trade higher post US mid-term polls.

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