

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	71.28	0.27%	-1.6%	-3%
EUR/INR	78.11	0.74%	-1.3%	-8%
GBP/INR	87.70	0.62%	0.6%	-8%
JPY/INR	66.50	0.21%	-2.7%	3%
EUR/USD	1.0957	-0.02%	-0.2%	-5%
GBP/USD	1.2304	0.01%	1.8%	-5%
USD/JPY	107.14	-0.04%	1.1%	-7%
USD/CNH	7.14	-0.13%	-0.5%	3%
10 YR YIELD- IN	6.62	(0.04)	0.10	(1.49)
10 YR YIELD- USA	1.59	(0.01)	0.13	(1.60)
GOLD (\$/Oz)	1,499	0.0%	-3%	25%
SILVER (\$/Oz)	17.59	0.2%	-9%	20%
BRENT CRUDE (\$/Brl)	57.71	0.0%	-1%	-33%
COPPER 3M (\$/Ton)	5678	-0.1%	1%	-10%
NIFTY	11313	-0.4%	2.6%	2.8%
HANGSENG	25913	-0.5%	1.5%	-4.3%
S&P 500	2888	-1.8%	-0.6%	-1.3%
INR 1M FWD	0.23	(0.00)	(0.03)	(0.07)
INR 3M FWD	0.69	(0.02)	(0.08)	(0.14)
INR 12M FWD	3.03	(0.01)	(0.09)	(0.15)
USDINR 1 MONTH ATM IV	6.42	(0.06)	(0.47)	(1.78)
USDINR 3 MONTH ATM IV	6.51	0.03	(0.32)	(1.43)
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(42)	955	(3,178)	8,161
FII INVESTMENT- DEBT (\$ Mn)	(47)	(274)	2,545	3,973
TOTAL (\$ Mn)	(89)	681	(633)	12,134

CURRENCY	ECONOMIC DATA
GBP	Services PMI
USD	ISM non-manufacturing PMI

### TECHNICAL VIEW

#### Currency pair ==> USDINR spot

View = Uptrend as long as above 70.80 on spot. Between 70.80 and 70.40, it is neutral bias. Below 70.40, bias turns downward.

Trade = Buy on decline with stop and reverse below 70.80 levels on spot. Resistance @71.15 and 71.35/40 spot.

#### Currency pair ==> GBPUSD spot

View = Intermediate trend remains bullish

Trade = Buy between 1.2250/1.2270 TP 1.2400/1.2430 SL 1.2180

### MACRO VIEW

- On Tuesday, Indian stock indices closed a percent lower on the back of significant selling in financial stocks. The contagion in the NBFC space is spreading and has engulfed a couple of banks as well. Post PMC bank debacle sentiment has been shaken. The virtuous cycle of NBFC-Bank-real estate-informal economy has turned vicious. Indian Rupee was not immune to the risk of moves in the domestic. At the same time, news of fresh unrest in Hong Kong caused the CNH to depreciate against USD which added to the pain for the Rupee. However, alleged intervention from the central bank saved the day and kept the losses on INR against USD at just 21 paise. However, as long as the poor sentiments do not go away from onshore as well as offshore markets Rupee will continue to face headwinds. In the sovereign debt market, 10 year GOISec yield closed 4 bps lower at 6.66%. Weakness in oil prices and borrowing via new 10 year paper kept the bond prices supported.
- India gross GST collections for the month of September dropped to 19-month low of INR 91.9k crore against INR 98.02k crore the month of August. August GST collections imply a current run-rate of around INR 87.5 k crore for FY20, pushing up the required run-rate to INR 1.25 lakh crore for the rest of FY20, if the collections have to achieve the Budget target. Weak demand conditions continue to hurt collection of indirect taxes as well as direct taxes. This can lead to GoI resorting to higher borrowing during the March quarter. This risk has also been flagged by ratings agency S&P. They said that the cut in corporate taxes will expand the fiscal deficit by 0.7% of GDP.
- The IHS Markit India Manufacturing PMI was at 51.4 in September, unchanged from August and thereby posting its joint-lowest reading since May 2018. At the same time, business confidence sank to one of the lowest levels seen in over two-and-a-half years.
- US stocks suffered their sharpest one-day declines in nearly six weeks on Wednesday after employment and manufacturing data disappointed. US treasury yields continue to decline at the long end in sync with the sell-off in stocks. ISM manufacturing slumped to a 10 year low into the contraction zone. Even the ADP employment report came in weaker than estimates.
- Asian stocks are down between 1%-2% on the back of risk off trend from Americas. USD is trading higher against most Asian currencies including the CNH.
- Brent crude oil futures have continued to decline, now below 58 dollars a barrel, which augurs well for Indian bonds and Rupee. Gold is up at 1505 dollars on active month futures on CME, due to risk-off mood.

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



Source: TickerPlant

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