

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	70.03	0.64%	-4.4%	8%
EUR/INR	79.48	0.39%	-4.6%	4%
GBP/INR	89.46	0.81%	-6.3%	3%
JPY/INR	61.69	0.36%	-4.7%	8%
EUR/USD	1.1348	0.27%	-0.5%	-4%
GBP/USD	1.2773	0.19%	-2.1%	-5%
USD/JPY	113.53	-0.04%	0.3%	1%
USD/CNH	6.9182	-0.46%	0.1%	4%
10 YR YIELD- IN	7.64	0.04	(0.14)	0.58
10 YR YIELD- USA	3.04	0.06	(0.17)	0.68
GOLD (\$/Oz)	1,225	0.4%	-1%	-4%
SILVER (\$/Oz)	14.31	0.8%	-2%	-12%
BRENT CRUDE (\$/Brl)	62.30	4.8%	-14%	-2%
COPPER 3M (\$/Ton)	6198	-0.2%	3%	-8%
NIFTY	10905	0.26%	3.33%	8%
HANGSENG	27240	2.77%	2.85%	-6%
S&P 500	2760	0.82%	1.36%	4%
INR 1M FWD	0.25	0.00	(0.03)	0.02
INR 2M FWD	0.49	0.01	(0.02)	0.05
INR 3M FWD	0.71	0.01	(0.04)	0.05
INR 6M FWD	1.45	0.02	(0.07)	(0.01)
INR 12M FWD	2.80	0.02	(0.31)	(0.01)
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	171	891	(2,861)	(4,867)
FII INVESTMENT- DEBT (\$ Mn)	(76)	868	(484)	(7,593)
TOTAL- (\$ Mn)	95	1,759	(3,345)	(12,460)

CURRENCY	ECONOMIC DATA
GBP	Manufacturing PMI
USD	ISM Manufacturing PMI

INDIA NEWSWIRE

1. India's economy expanded at a slower-than-expected pace of 7.1% in the fiscal second quarter despite a lower base. Private consumption, after picking up in the fiscal first quarter, slowed to 7% in the second quarter, while investment demand accelerated to 12.5% in the second quarter, indicating a revival in investment activity. Rating agencies Crisil Ltd and Care Ratings cut their growth projections by 10 basis points to 7.4% for FY19.

FX VIEW

Dollar Rupee spot is trading higher around 70.00 levels on spot, primarily on the back of 5% jump in oil prices, disappointing GDP growth from India in Q2 and a mild uptick in USD against Euro and GBP. Rupee is diverging away from the trend of the Asian currencies, are showing gains against USD.

G20 produced a deal to talk about a deal. For now China will increase its purchase of American farm produce, energy and some industrial goods. In exchange America will delay an escalation in tariffs, from 10% to 25% on \$200bn of goods planned for January 1st. That is on hold until March 1st at the earliest. But because the formal talks between the two countries could well fail, this truce is worryingly fragile.

For now, traders are happy and as a result, Greenback is getting lift against most currencies today. Sentiment is oversold & market positioning is overly short USD, both suggest, a pull back over the near term. However, up move may not be smooth, as selling from carry traders & exporters would occur at higher levels. A meaningful correction can take prices towards 70.80.

In majors, there are some major economic releases from the G3. Pound will sway to outcome of the voting on UK PM's Brexit legislation on December 11th. The way one after another minister keeps resigning from UK PM's cabinet, it appears that UK Parliament may vote against the legislation. There is a growing clamour for a second referendum or a fresh general election. Any such event will be increase uncertainty and negatively impact GBP. We therefore, remain bearish on GBP/INR as attractive carry on INR coincide with political uncertainty in UK and Brexit mess.

On Euro, concerns over Italy's Budget has abated for the moment as both EU and Italy have decided to work out an amicable path. Therefore, the focus for the week will be on Eurozone retails sales data, which is expected to show an uptick to 0.2% m/m in November from no growth in October. The European Central Bank president Mario Draghi will be making a speech on Wednesday, which will be watched as well. The other major Eurozone data releases are final estimates of manufacturing and services PMIs and the third and final estimate for the Q3 GDP

TECHNICAL VIEW & RUPEE CROSSES:

USD/INR is quite oversold on charts and so is crude oil. From Intermarket perspective, if oil continue to bounce post OPEC, then it can help USD/INR to aim for the technical zone of 70.80 eventually. However, with risk on mood in financial markets, we expect USD/INR to face selling pressure around 70.10/15 and 70.25/30 levels, from where fresh shorts can be registered from an intra-day perspective. Those shorts can be covered once the spot dips towards 69.50/60 levels on spot. Exporters can continue to utilise the rise towards 70.80 to hedge for the next 1 month. Importers can look to hedge on a decline below 69.70 levels on spot. On EUR/INR and GBP/INR a rebound towards 81.50 and 91.00 can occur, where fresh shorts can be entered.



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