

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	68.64	0.32%	-3.3%	5%
EUR/INR	77.16	0.26%	-4.6%	-4%
GBP/INR	90.41	0.39%	-3.6%	-1%
JPY/INR	61.61	0.13%	-2.9%	0%
EUR/USD	1.1242	0.08%	-0.9%	-8%
GBP/USD	1.3172	0.11%	-0.1%	-6%
USD/JPY	111.40	-0.08%	-0.3%	4%
USD/CNH	6.7186	0.07%	0.2%	6%
10 YR YIELD- IN	7.25	(0.02)	(0.12)	(0.04)
10 YR YIELD- USA	2.51	(0.01)	(0.21)	(0.29)
GOLD (\$/Oz)	1,292	0.2%	0%	-3%
SILVER (\$/Oz)	15.15	0.1%	0%	-7%
BRENT CRUDE (\$/Brl)	69.28	0.0%	5%	2%
COPPER 3M (\$/Ton)	6492	1.0%	0%	-4%
NIFTY	11637	-0.06%	7.12%	15%
HANGSENG	29828	-0.53%	3.00%	1%
S&P 500	2873	0.21%	2.89%	9%
INR 1M FWD	0.45	(0.03)	0.14	0.19
INR 2M FWD	0.72	0.00	0.16	0.25
INR 3M FWD	0.95	0.03	0.16	0.26
INR 6M FWD	1.60	0.05	0.09	0.22
INR 12M FWD	2.72	0.03	(0.15)	0.15
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	69	69	69	8,513
FII INVESTMENT- DEBT (\$ Mn)	(252)	(252)	(252)	1,032
TOTAL- (\$ Mn)	(184)	(184)	(184)	9,545

CURRENCY	ECONOMIC DATA
INR	RBI Monetary Policy
EUR	ECB Monetary Policy Minutes

### WORLD NEWSWIRE

1. WTO published a stunning downward revision of GDP growth this year, cutting its forecast to 2.6 percent from its previous estimate of 3.7 percent. The report highlighted escalating trade tensions, waning fiscal and monetary stimulus in North America and Europe, in addition to structural changes to the Chinese economy as the primary factors leading to the WTO's lower GDP projections.
2. The lower house of the British parliament on Wednesday approved legislation which would force Prime Minister Theresa May to seek a Brexit delay to prevent a potentially disorderly departure on April 12 without a deal.

### FX VIEW

#### Here is the pre-flight inspection:

- US stock markets: Check. In the green. Positive for INR
- US bond yield curve: Check. Still inverted but inversion has reduced. Neutral to negative for INR
- Brent crude oil: Check. Rising, approaching 70 handle. Negative for INR
- Asian stock markets: Check. Mostly trading in green. Positive for INR
- Any kind of relevant geo-political/political risk for INR: Check. Nothing significant. Neutral for INR
- Forward premia in USDINR: Check. Still elevated. Would encourage more speculative/exporter selling in USDINR futures/forwards. Positive for INR.

Looks like all clear for the Boeing 737 to take-off from Mumbai, with INR on board :.

#### Who can play spoil sport?

Ans: RBI would remain aggressively interventionist in cash, spot and forward markets. This means, that we could get intra-day spikes of 30/50 paise, which could be utilised to enter fresh USDINR shorts. Like the one we witnessed yesterday at the last hour.

#### What is the major event for INR?

Ans: RBI monetary policy. RBI is expected to lower rates by at least 25 bps in this policy, and another 50 bps over the course of next 9 months. RBI has signalled that it intends to keep liquidity at the neutral zone and would use both the bond and FX markets to augment INR liquidity. However, with INR seeing strength on a REER basis, RBI can use FX route more than bonds, unless the bond curve steepens too far. There will be focus on their stance. Will they move from neutral gear to accommodative? There will be also be focus on announcements on FX and rates market development. RBI has been moving fast the leadership of the Mr. Das to deepen in the local INR and Rates market, which is welcome development.

#### TECHNICAL VIEW:

USDINR remains in an intermediate downtrend. We would look to sell on rise between 68.60/80 zone with stops above 69.00. Support is around 68.30 and then 67.90 and 67.50 levels. In GBPUSD, we would look to buy the decline with stop below 1.29.

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



Source: Bloomberg

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