

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	69.14	-0.18%	-0.4%	3%
EUR/INR	77.81	0.40%	0.1%	-1%
GBP/INR	87.55	0.03%	-3.9%	-3%
JPY/INR	64.01	-0.16%	2.2%	4%
EUR/USD	1.1253	0.11%	0.5%	-4%
GBP/USD	1.2664	0.00%	-3.3%	-5%
USD/JPY	108.01	-0.06%	-2.5%	-2%
USD/CNH	6.9257	0.05%	2.2%	8%
10 YR YIELD- IN	7.01	0.03	(0.38)	(0.87)
10 YR YIELD- USA	2.11	0.03	(0.42)	(0.84)
GOLD (\$/Oz)	1,323	-0.2%	3%	2%
SILVER (\$/Oz)	14.74	-0.3%	-1%	-10%
BRENT CRUDE (\$/Brl)	61.06	-0.4%	-14%	-19%
COPPER 3M (\$/Ton)	5842	0.2%	-6%	-15%
NIFTY	12074	-0.12%	3.09%	14%
HANGSENG	26805	-0.33%	-10.89%	-14%
S&P 500	2744	-0.28%	-6.83%	0%
INR 1M FWD	0.23	(0.01)	(0.07)	(0.00)
INR 2M FWD	0.46	0.00	(0.09)	(0.01)
INR 3M FWD	0.71	0.02	(0.10)	0.01
INR 6M FWD	1.41	0.02	(0.15)	0.00
INR 12M FWD	2.82	(0.01)	(0.25)	0.03
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	142	1,423	2,964	11,190
FII INVESTMENT- DEBT (\$ Mn)	275	537	(1,033)	236
TOTAL- (\$ Mn)	417	1,960	1,931	11,426

CURRENCY	ECONOMIC DATA
EUR	CPI Flash Estimate
USD	Fed Chair Powell Speaks

#### INDIA NEWSWIRE

1. India's direct taxes body wants its revenue collection target for FY20 scaled down citing economic turbulence. Direct tax collections will need to rise 21% from FY19 levels for the interim budget target to be met, something that looks difficult given the slowdown.
2. Indian Nikkei PMI for manufacturing rose to 52.7 in May from 51.8 in April, pointing to the strongest improvement in the health of the sector in three months. Amongst the sub-indices, employment has risen in each month since April 2018, with the latest expansion the most marked since February. Indices on output, total order books and exports all outperformed in May.

#### WORLD NEWSWIRE

1. St. Louis Federal Reserve president James Bullard said that the Fed "faces an economy that is expected to grow more slowly going forward, with some risk that the slowdown could be sharper than expected due to ongoing global trade regime uncertainty, he said. In addition, both inflation and inflation expectations remain below target, and signals from the Treasury yield curve seem to suggest that the current policy rate setting is inappropriately high."

#### FX VIEW

US tech stocks fell on Monday, amid reports that the U.S. government is planning to target a host of big companies in the industry with antitrust and business practice probes. Shares of Alphabet, Amazon, Facebook and Apple all weighed on the market during Monday's session. From China-US trade war to weakening global economy and now, threat of anti-trust investigation, it is proving too much for bulls to digest. US bond yields are making fresh 52 week lows every day and the yield curve is at its worst inversion since 2007. Bets on a rate cut from Fed by September, has surged to 90%. At these levels of probability, market has seldom got Fed wrong. Yesterday, adding fuel to fire, St. Louis Federal Reserve president James Bullard said that a rate cut may be warranted soon. An inverted yield curve, out to 10 year is weighing on Dollar too. The current mix appears like a Goldilock situation for the Rupee. On one hand Indian equity is able to ignore risk off trends in global markets. Bonds are going in tune with global yields. Oil is plunging due to global risk off and now Dollar is becoming soft. All these combinations makes Rupee a compelling long play for the carry traders. As long as inflows into India do not reverse, INR bulls would not be deterred by global risk-off or RBI intervention.

#### TECHNICAL VIEW & RUPEE CROSSES:

USDINR remains in a primary downtrend as the downtrending channel is intact. After two months of choppy corrective trend, finally downward trend has caught momentum. There is scope for prices to test 68.30/40 levels on spot. Having said that, we would like to see how USD negotiate the strong demand zone of 68.80/85 levels. If they are able to pierce through that support and hold the pair below it for sometime, then stop loss selling can take the pair down towards 68.30/40 region.

In Rupee crosses, EURINR sports a bearish structure and hence trade remains to sell on rise as long as the pair holds below 79.00 on spot. On GBPINR structure remains firmly bearish and hence sell on rise with stop above 90.00 on a closing basis. On JPYINR, wait for a pullback in the 62.50/63.00 on spot, before attempting fresh long position and maintain stop below 62.00 on a daily closing basis.

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



Source: Bloomberg & Trading View

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