

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR	
USD/INR	68.57	0.00%	2.1%	6%	
EUR/INR	79.99	0.08%	1.6%	8%	
GBP/INR	90.54	0.09%	0.8%	8%	
JPY/INR	62.09	0.29%	1.3%	8%	
EUR/USD	1.1663	0.04%	-0.3%	3%	
GBP/USD	1.3204	0.08%	-0.8%	2%	
USD/JPY	110.45	-0.13%	0.6%	-3%	
USD/CNH	6.6388	-0.41%	3.5%	-3%	
10 YR YIELD- IN	7.88	(0.01)	0.00	1.33	
10 YR YIELD- USA	2.83	0.00	(0.11)	0.48	
GOLD (\$/Oz)	1,257	0.4%	-3%	3%	
SILVER (\$/Oz)	16.07	0.3%	-2%	0%	
BRENT CRUDE (\$/Brl)	78.09	0.4%	4%	57%	
COPPER 3M (\$/Ton)	6491	-0.5%	-6%	9%	
NIFTY	10689	-0.10%	0.57%	11%	
HANGSENG	28236	-1.08%	-8.91%	11%	
S&P 500	2713	-0.49%	-1.23%	12%	
INR 1M FWD	0.27	0.00	0.03	0.00	
INR 2M FWD	0.51	0.00	0.05	(0.01)	
INR 3M FWD	0.76	(0.00)	0.06	0.00	
INR 6M FWD	1.54	0.00	0.13	0.01	
INR 12M FWD	2.99	(0.00)	0.20	0.04	
		1 DAY	MTD	QTD	YTD
FII INVESTMENT- EQ (\$ Mn)	23	23	23	(598)	
FII INVESTMENT- DEBT (\$ Mn)	(2)	(2)	(2)	(6,111)	
TOTAL- (\$ Mn)	21	21	21	(6,709)	

CURRENCY	ECONOMIC EVENT
GBP	Services PMI

INDIA NEWSWIRE

1. According to media reports, the much-awaited MSP of kharifcrops for 2018-19 season is expected to be announced on Wednesday, with paddy support price projected to rise by as much as Rs 200 a quintal, and pulses by over Rs 400 a quintal.
2. The Ministry of Shipping is clearly in reform mode. On the heels of the recent relaxation of the cabotage law, which allows foreign flag vessels to operate in Indian waters, it is now set to allow Indian players to charter foreign flag carriers without any pre-conditions. At present, a foreign ship is allowed to be chartered only — among other conditions — if a suitable Indian ship is unavailable for that purpose at reasonable charter rates.
3. The Centre will publish GDP and CPI data with the new base year in 2019-20. It also plans to bring out an employment survey by the end of this calendar year.

WORLD NEWSWIRE

1. British PM Theresa May will present to her team a new proposal for trade with the EU that in effect comprises Britain to collect duties on imports at the rate of the EU's common customs tariff, in effect making Britain the EU's tax collector. May and her officials believe this would avoid the need for border checks between the Republic of Ireland and Northern Ireland. If EU agrees, then it can provide the breakthrough in the Brexit negotiations. On services, which make up the bulk of Britain's economy, May wants to offer the EU preferential rights for its citizens who want to live and work in Britain, in exchange for better access to the EU's services market.

FX VIEW

Dollar Rupee is trading close to the 68.30/40 support zone as we write. Chinese Yuan has appreciated by nearly half a cent against USD, as the central bank jawboned the market lower. After more than three weeks of relentless running higher, USDCNH has paused. It is too early to say whether this is proverbial top or not. Though prices have more or less remained below 6.70, inspite of intra-day incursions, but path of least resistance still favours the USD bulls. We could see USDCNH consolidate between 6.60 and 6.70 for sometime, before breaking out higher. Nevertheless, incase of a sustained breakdown below 6.60, it can be termed as a first sign of reversal in the ongoing uptrend. Chinese Yuan, during times of panic, becomes one of the important drivers of prices of USDINR and hence the need to analyse the pair.

US markets are going to be shut today and hence volatility can be low in the currency market. Lumpy corporate flows may have larger than usual impact on a shallow volume day. Technically, USDINR can be bought closer to 68.35 levels on spot, with stops below 68.30 on an hourly close. Nevertheless, if the pair breaks down below 68.30, expect it to go all the way down towards 67.70/90 zone on spot. Larger theme of USD appreciation remains intact as the macro factors remain challenging for INR.

On majors, traders will react to release of the services PMI for the month of June. Consensus is for a flat reading for last month. If the data surprises to the upside, we can expect GBPUSD to make a run for 1.3260/80 levels. In which case GBPINR can also appreciate. Technically, GBPINR remains a buy on dips with stop below 89.00 on spot. EURINR continues drift higher, quite expectedly. We would look for fresh buying opportunity closer to 79.00 levels on spot, with stops below 78.00. JPYINR is also a buy but closer to 61.50 with stop below 60.00 on spot.

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