

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	70.91	0.04%	-1.7%	-4%
EUR/INR	77.81	0.08%	-2.1%	-9%
GBP/INR	87.47	0.16%	-0.5%	-9%
JPY/INR	66.39	0.11%	-2.0%	3%
EUR/USD	1.0973	0.07%	-0.6%	-5%
GBP/USD	1.2336	0.03%	0.7%	-5%
USD/JPY	106.81	-0.10%	0.4%	-7%
USD/CNH	7.12	-0.06%	-0.3%	3%
10 YR YIELD- IN	6.61	0.00	0.06	(1.54)
10 YR YIELD- USA	1.54	0.00	0.07	(1.65)
GOLD (\$/Oz)	1,508	0.2%	-3%	26%
SILVER (\$/Oz)	17.59	0.2%	-10%	21%
BRENT CRUDE (\$/Brl)	57.99	0.5%	-4%	-31%
COPPER 3M (\$/Ton)	5662	-0.3%	1%	-10%
NIFTY	11355	0.4%	4.7%	7.1%
HANGSENG	25969	-0.5%	-2.1%	-2.5%
S&P 500	2911	0.8%	-0.9%	0.3%
INR 1M FWD	0.26	0.03	0.01	(0.04)
INR 3M FWD	0.69	0.00	(0.07)	(0.14)
INR 12M FWD	3.05	0.02	(0.04)	(0.21)
USDINR 1 MONTH ATM IV	6.52	(0.00)	(0.32)	(2.06)
USDINR 3 MONTH ATM IV	6.44	(0.07)	(0.35)	(1.86)
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(217)	(217)	(217)	7,944
FII INVESTMENT- DEBT (\$ Mn)	(79)	(79)	(79)	3,894
TOTAL- (\$ Mn)	(296)	(296)	(296)	11,838

CURRENCY	ECONOMIC DATA
USD	US NFP
USD	Fed Chair Powell Speaks

TECHNICAL VIEW

Currency pair ==> USDINR spot

View = A range of 70.40 and 71.40 in play. Uptrend indicated above 71.40, but confirmed above 71.60 on spot.

Trade = Play the range. Wait for our trading calls to trade. Support @ 70.80/83, 70.72/74 and 70.45/50 on spot. Resistance @ 70.97 & 71.11 levels on spot.

Currency pair ==> GBPUSD spot

View = Intermediate trend remains bullish

Trade = Buy between 1.2280/1.2300 TP 1.2400/1.2430 SL 1.2220

MACRO VIEW

- Sensex and Nifty took another knock yesterday, this time the cut was muted, around half a percent. On a positive note some of the financial stocks which had been hammered out of shape over the past few trading session saw strong short covering bounce. Indian Rupee and Indian bonds decoupled from the domestic equity market. Rupee gained 19 paise to close at 70.89 against USD. GOIsec 10 year yield closed lower by 5 bps at 6.61%. Lower oil prices and expectation of aggressive rate cuts from RBI would continue to keep bond yields capped. Rupee may have benefitted from the inflows related Bharat 22 ETF and also some bunched up selling from large exporters. RBI was missing from action.

- Today in the RBI meeting, there are few questions worth focussing on: (i) Will RBI lower rates by 25 bps or between 35/50 bps. Latter can be positive for trio: Equity, bonds and Rupee (ii) How much of a downgrade will RBI do to its FY20 GDP forecast, which currently stands at 6.9%. (iii) What will they have to say about the stress in the banking-shadow banking space (iv) How dovish shall be the forward guidance. In our opinion, with inflation well anchored and outlook appearing stable, time has come for RBI to lower rates aggressively and focus on improving transmission. GOI is using the fiscal level sensibly. If RBI can step in with even more measures, it can significantly lift India's growth over the next 6-9 months.

- At the India Economic Summit on Thursday, representatives from the Indian industry requested Gol for more measures such as cuts in personal income tax rates to boost consumer demand. Post corporate tax cut, focus is now on personal income taxes and a cut there would definitely boost confidence and that improve inflows into the domestic equity markets. However, it will come at the risk of greater fiscal slippage. However, with benign rate environment globally and softer commodities, Gol can afford to push the tolerance limit of the Bond investors. Bigger OMOs from RBI and clear communication from Gol can keep long bond yields lower even on the face of fiscal slippage.

- US stocks rose on Thursday, recovering some of the losses from a steep two-day sell-off amid increasing expectations that the Federal Reserve will cut rates later this month. Rebound occurred inspite of another poor economic data from US. ISM reported the weakest service-sector activity index since 2016. Today focus will be on US NFP jobs data. Expectations are for a rise of 145K in jobs and wage growth of 0.3%.

- Asian equity markets are trading marginally lower, except for Aussie shares and South Korean stocks. USD is trading lower against most Asian currencies including the CNH. SGX is pointing towards 25 point higher open for the onshore Nifty. Brent crude oil futures are holding below 58 dollars a barrel, which augurs well for Indian bonds and the Rupee. Gold is up at 1515 dollars on active month futures on CME.

*** CHART ON NEXT PAGE ***



Source: TickerPlant

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