

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	73.60	0.02%	2.5%	11%
EUR/INR	84.69	0.05%	1.9%	10%
GBP/INR	95.77	0.23%	4.0%	10%
JPY/INR	64.60	0.22%	0.4%	11%
EUR/USD	1.1507	-0.06%	-1.1%	-2%
GBP/USD	1.3014	-0.05%	0.8%	-1%
USD/JPY	113.92	0.01%	2.1%	1%
USD/CNH	6.9021	0.09%	0.9%	4%
10 YR YIELD- IN	8.14	(0.02)	0.09	1.41
10 YR YIELD- USA	3.19	0.01	0.29	0.84
GOLD (\$/Oz)	1,199	-0.1%	0%	-5%
SILVER (\$/Oz)	14.57	-0.2%	3%	-12%
BRENT CRUDE (\$/Brl)	84.85	0.3%	10%	49%
COPPER 3M (\$/Ton)	6290	0.4%	8%	-4%
NIFTY	10514	-0.80%	-8.39%	6%
HANGSENG	26530	-0.35%	-2.62%	-7%
S&P 500	2902	-0.82%	0.45%	14%
INR 1M FWD	0.30	0.02	0.05	0.05
INR 2M FWD	0.58	(0.00)	0.03	0.09
INR 3M FWD	0.83	(0.01)	0.06	0.13
INR 6M FWD	1.59	(0.01)	0.08	0.21
INR 12M FWD	3.25	0.07	0.24	0.45
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(209)	(430)	(430)	(2,436)
FII INVESTMENT- DEBT (\$ Mn)	12	(150)	(150)	(7,260)
TOTAL- (\$ Mn)	(197)	(580)	(580)	(9,696)

CURRENCY	ECONOMIC EVENT
USD	US Non-farm employment report

INDIA NEWSWIRE

1. The Finance Ministry on Thursday announced that collections from direct taxes crossed Rs. 5.47 lakh crore during the first six months (April-September) of the current fiscal. An increase of 16.4% over the same period last FY.
2. Services PMI for September fell to 50.9, down from 51.5 in August. The 50-point mark separates expansion from contraction. Despite expanding for the fourth straight month, the service sector saw broad stagnation in both new and existing business in the latest month.

WORLD NEWSWIRE

1. In US, Factory goods orders surged 2.3 percent, the largest increase since September 2017.

FX VIEW

Another day, another all-time high on USDINR. Yesterday the pair scaled 73.81 on spot. Central bank remained a seller of Dollars on OTC as well as ETC. GoI announced reduction in taxes on fuel prices to provide relief to consumers. However, the announcement that OMCs have to shoulder the burden of the reduction in fuel prices was not taken kindly by stock market, as OMC stocks saw a consolidated decline of over 10% in their market-capitalisation. It is seen as a regressive step by GOI to bring some control over the pricing of fuel prices in the country, after it was set free a few years back. Lower fuel prices is good news for consumers but it can reduce the revenues for central government by around INR 10,000 crore and also will led to loss of revenue for state governments who offer a similar cut in state taxes. Hence, it is bad news for the consolidated fiscal deficit of India, but GoI has assured that this will not impact the GFD as it will be made up from revenues from other sources. Having said, market is expecting a slippage in GFD for FY19 between 10-20 bps on account of slow monthly run rate of GST collections, which is still running below INR 1 lakh crore.

Today traders have the RBI meeting to consider. RBI is expected to raise repo by 25 bps and maintain a hawkish tone. RBI may announce more OMOs to meet demand for liquidity during the festive season. There could be some profit booking correction in USDINR pre and post announcement of rate hikes. However, short of any unexpected announcements, impact of RBI monetary policy remains limited. Apart from RBI, the next major event or data to watch will be the US jobs data, where focus will be on wage growth. Wages may rise 0.4% once again in September, like in August, with headline job growth well over 200K. A robust data can be supportive for USD and negative for UST and EMFX. Nevertheless, a disappointment in headline job growth followed by subdued wage growth can trigger a sharp sell-off in USD against DMFX as well as EMFX.

TECHNICAL VIEW & RUPEE CROSSES:

USDINR is expected to open higher around 73.70/75 on spot. Technically, USDINR remains in an uptrend. If the pair manages to sustain above 72.90 on spot, above the last few weeks range of 71.50-72.90, then it can aim for 74.00/74.50 on spot. Nevertheless, if the pair fails to sustain above 72.90, then we can expect the old range of 72.00 and 73.00 to come into play. Primary uptrend is intact as long as prices are holding above 71.75 levels on spot. On crosses, buy on dips in EURINR with stop below 83.80 & on GBPINR with stop below 94.00 on spot. JPYINR is still within a consolidation phase between 63.00 & 65.50 on spot.

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