

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	71.53	-0.05%	2.6%	10%
EUR/INR	81.56	-0.19%	2.3%	2%
GBP/INR	92.68	-0.43%	4.2%	3%
JPY/INR	65.13	0.06%	1.6%	10%
EUR/USD	1.1400	-0.05%	-0.6%	-8%
GBP/USD	1.2956	0.09%	1.4%	-7%
USD/JPY	109.84	-0.11%	1.0%	0%
USD/CNH	6.7638	0.01%	-1.2%	7%
10 YR YIELD- IN	7.37	(0.02)	(0.08)	(0.20)
10 YR YIELD- USA	2.70	(0.00)	0.03	(0.11)
GOLD (\$/Oz)	1,314	-0.1%	2%	-1%
SILVER (\$/Oz)	15.81	-0.2%	1%	-5%
BRENT CRUDE (\$/Brl)	61.96	0.0%	9%	-7%
COPPER 3M (\$/Ton)	6233	1.1%	5%	-13%
NIFTY	11014	0.73%	2.68%	5%
HANGSENG	27990	0.21%	9.23%	-13%
S&P 500	2738	0.47%	8.13%	2%
INR 1M FWD	0.23	(0.01)	(0.02)	(0.00)
INR 2M FWD	0.49	(0.01)	0.02	(0.03)
INR 3M FWD	0.75	0.01	0.05	(0.02)
INR 6M FWD	1.48	(0.02)	0.05	(0.01)
INR 12M FWD	2.93	0.01	0.10	0.06
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(125)	45	(31)	(31)
FII INVESTMENT- DEBT (\$ Mn)	(214)	(146)	(514)	(514)
TOTAL- (\$ Mn)	(339)	(102)	(544)	(544)

CURRENCY	ECONOMIC DATA
GBP	Services PMI
USD	ISM Non-Manufacturing PMI

INDIA NEWSWIRE

1. The seasonally adjusted Nikkei India Services Business Activity Index fell from 53.2 in December to 52.2 in January, indicating a softer expansion in output. The country's services sector activity fell for the second straight month in January, as new orders rose at the slowest rate in four months; despite which companies continued to hire staff.
2. According to media reports, mutual funds have approached the Securities and Exchange Board of India to allow them to alter the terms of Essel Group debenture trust deeds to give the promoters time to bring in a strategic investor instead of having to offload pledged shares as there is a drop in the security cover.
3. The central government asked the Reserve Bank of India to transfer its entire surplus generated over the last two years as it seeks to meet its revised budget goals for the ongoing and the next financial years. The government wants the central bank to pay an interim dividend of Rs 28,000 crore in the ongoing financial year.

WORLD NEWSWIRE

1. In his State of the Union address, US President said that China has targeted US industries, stolen intellectual property for years. He said, the theft of American jobs and wealth has come to an end. New trade deal with China ,must include end unfair trade practices, reduce our chronic trade deficit, and protect American jobs.
2. The UK services purchasing managers' index fell to 51.1 in January, down from 51.2 in December, according to IHS Markit. New work declined outright for the first time since mid-2016 and hiring fell for the first time in over 6 years. Activity was broadly flat, with financial intermediation and transportation the worst-performing sectors. January's index is the second-worst on record since 2012.

FX VIEW

After yesterday's sharp pullback from 71.80 to 71.50, the upward momentum is ebbed. Overnight, US markets closed well in the green with Dow, S&P and Nasdaq clocking gains of nearly a percent. Dollar strengthened substantially against majors, especially against GBP, after a poor services PMI from UK. Overnight US economic data was weak with the ISM Non-Manufacturing Index for last month was just released and showed slowing growth in the services sector. The indicator came in at 56.7 for January which fell short of 57.0 expected for the metric. A number above 50 indicates expansion and below 50 indicates contraction. The slowing growth was mostly attributable to sharp declines in the new orders and new export orders components which fell 5 percent and 9 percent respectively from the month prior.

However, in Asia today, Dollar is on back foot against most of the Asian currencies. NDF is showing an open around 71.55/56 levels on spot, flat. Oil is hovering around 62.00 for Brent. USDINR may track a narrow range ahead of the RBI meeting. There is chart gap between 71.25 and 71.55, which could get filled over the near term. We would be buyers on decline, ideally closer to 71.30 levels on spot. However, we would alert to the pair bouncing off the resistance turned support zone between 71.40/45 levels on spot. If so, then we would go long with stop below 71.20 on a closing basis. Resistance 71.80 and 72.00 on spot.

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



Horrendous breadth of the market is evident from the just 23% of stocks above their 200 DMA. With such poor breadth, bull run is on thin ice...

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Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: www.kotak.com / www.kotaksecurities.com. Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. Film City Road, A K Vaidya Marg, Malad (East), Mumbai 400097. Telephone No: 42856825. SEBI Registration No: INZ000200137(Member of NSE, BSE, MSE, MCX & NCDEX), AMFI ARN 0164, PMS INP000000258 and Research Analyst INH000000586. NSDL/CDSL: IN-DP-NSDL-23-97.

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