

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	70.60	-0.19%	2.8%	2%
EUR/INR	79.07	0.07%	2.6%	0%
GBP/INR	85.81	-0.23%	-0.2%	-4%
JPY/INR	66.18	-0.68%	4.6%	7%
EUR/USD	1.1198	-0.04%	-0.1%	-3%
GBP/USD	1.2156	0.11%	-2.9%	-6%
USD/JPY	106.74	0.74%	-1.9%	-4%
USD/CNH	7.0646	-0.48%	2.5%	3%
10 YR YIELD- IN	6.36	(0.04)	(0.34)	(1.41)
10 YR YIELD- USA	1.76	0.05	(0.27)	(1.18)
GOLD (\$/Oz)	1,461	-0.2%	5%	21%
SILVER (\$/Oz)	16.42	0.2%	9%	7%
BRENT CRUDE (\$/Brl)	60.41	1.0%	-6%	-18%
COPPER 3M (\$/Ton)	5685	-0.8%	-4%	-8%
NIFTY	10917	0.50%	-7.57%	-4%
HANGSENG	25967	-0.71%	-9.76%	-7%
S&P 500	2845	-2.98%	-4.87%	0%
INR 1M FWD	0.25	(0.01)	(0.00)	0.00
INR 2M FWD	0.49	0.01	(0.00)	(0.02)
INR 3M FWD	0.73	(0.01)	(0.01)	(0.02)
INR 6M FWD	1.48	(0.00)	(0.07)	(0.03)
INR 12M FWD	3.01	(0.03)	(0.22)	0.01
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(416)	(585)	(2,520)	8,819
FII INVESTMENT- DEBT (\$ Mn)	145	(15)	1,211	2,639
TOTAL- (\$ Mn)	(272)	(600)	(1,308)	11,459

CURRENCY	ECONOMIC DATA
USD	FOMC Member Bullard Speaks

INDIA NEWSWIRE

- India's services PMI expanded to a 12-month high in July. PMI rose to 53.8 in July from 49.6 in June. IHS Markit India Composite PMI Output Index, which maps both manufacturing and services industry, touched an eight-month high of 53.9 in July from 50.8 in June, as aggregate new orders rose to the greatest extent since last November.

WORLD NEWSWIRE

- UK services PMI rose to a nine-month high of 51.4 from 50.2 in June.
- US ISM services index fell to 53.7 in July from 55.1 the month before, weakest level in three year.

FX VIEW

It was a historic day for the Republic of India as Jammu, Kashmir and Ladakh was fully integrated with rest of the country with the amendment of article 370. Such a move can definitely lift sentiments of the citizens. However, we should not ignore the cross border risk on account of the above move and need to stay vigilant.

Yesterday, Rupee depreciated by over 1.5% against Dollar on account of sharp plunge in the Chinese currency against Dollar. CNH/CNY touched lowest levels since 2007 against USD, crossing the 7 handle. Overnight US stock markets fell sharply by nearly 3%. Commodities too declined sharply, with Brent crude oil testing 60 handle.

Today, early morning, US labelled China as a currency manipulator. Where it's less biting is that the 1988 statute invoked that has been which does not have concrete remedies. It only allows for referring them to the IMF and having consultations with them. However, China has acted sensibly and not fixed the Dollar Yuan rate above 7 handle, which many had feared. At the same time, PBOC announced it will issue 30 billion yuan (\$4.25 billion) worth of yuan-denominated bills in Hong Kong. It will done to soak up Yuan liquidity to deter speculative short-selling. Both these moves have brought the USDCNH down from 7.15 to 7.08 now, which has had some salutary impact on the Asian equities and Asian currencies. Dollar Rupee, which traded as high as 71.20, has come down to 70.90 levels, 17 paise higher to where onshore markets closed.

The oversized reaction on Rupee may have been due to short squeeze. Option market suggested that speculators were heavily short in the pair. The short squeeze may continue if global sentiments remain weak. Having said that, we would not be surprised if the pair consolidates for a couple of sessions, before resuming in the existing trend.

TECHNICAL VIEW & RUPEE CROSSES:

USDINR reversed its downtrend last Friday Friday, when it closed above 70.50 on spot. Trend is upward. With USDCNH, which is exhibiting a high correlation with USDINR, is correcting lower, USDINR too can correct. USDINR can test 70.50 support, which if breached convincingly, can retrace towards 70.20/25 zone spot. We would look to go long on decline. Upside targets: 71.30/50 zone on spot. Only a failure to hold above 70.00, would be bearish. In Rupee crosses, EURINR trend reversed above 78.00 on spot. The reversal was sharp. Wait for a decline to buy with stop below 78.00 on close. on JPYINR, we remain bullish and would wait for prices to decline between 64.00/65.00 zone, before entering fresh positional long. *** CHART ON NEXT PAGE ***



Source: TradingView

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