

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	69.39	-0.03%	-0.4%	3%
EUR/INR	77.77	0.06%	-0.7%	-3%
GBP/INR	91.05	0.11%	0.2%	0%
JPY/INR	62.72	0.14%	0.4%	2%
EUR/USD	1.1208	0.08%	-0.5%	-6%
GBP/USD	1.3123	0.20%	0.5%	-3%
USD/JPY	110.63	-0.12%	-0.8%	1%
USD/CNH	6.7929	0.29%	1.1%	6%
10 YR YIELD- IN	7.41	0.02	0.06	(0.21)
10 YR YIELD- USA	2.47	0.01	(0.02)	(0.48)
GOLD (\$/Oz)	1,283	0.2%	-1%	-2%
SILVER (\$/Oz)	14.92	0.1%	-2%	-9%
BRENT CRUDE (\$/Brl)	71.09	-0.2%	1%	-7%
COPPER 3M (\$/Ton)	6236	1.1%	-4%	-9%
NIFTY	11620	0.19%	-0.40%	8%
HANGSENG	29257	0.16%	-2.27%	-2%
S&P 500	2932	-0.45%	1.37%	10%
INR 1M FWD	0.29	(0.01)	0.02	0.04
INR 2M FWD	0.55	0.00	0.03	0.10
INR 3M FWD	0.80	(0.01)	0.05	0.14
INR 6M FWD	1.58	0.03	0.14	0.25
INR 12M FWD	3.07	0.04	0.33	0.57
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(13)	65	1,607	9,833
FII INVESTMENT- DEBT (\$ Mn)	(629)	(647)	(2,217)	(949)
TOTAL- (\$ Mn)	(642)	(582)	(611)	8,884

CURRENCY	ECONOMIC DATA
EUR	EU Economic Forecasts

INDIA NEWSWIRE

- India's service sector activity slipped to a seven month low in April, due to weak rise in sales amid competitive pressures and disruptions arising from elections. Nikkei India Services Purchasing Managers' Index (PMI) dropped to 51 in April from 52 the previous month. The Nikkei India Composite PMI Output Index, which combines both services and manufacturing, fell from 52.7 in March to 51.7 in April. The PMI services activity index is based on a survey of purchasing executives of more than 400 service providers in five categories: consumer services, transport & storage, information & communication, financial & insurance and real estate & business services. As per the survey, employment rose in April, thereby taking the current stretch of growth to 20 months. Information and communication led the latest uptick in headcounts, with only real estate and business services failing to post expansion.
- India and the US on Monday reiterated commitment to further boost bilateral trade and investments, as US commerce secretary Wilbur Ross met commerce and industry minister Suresh Prabhu here. However, media reports suggested that contentious issues – including India's concern about the extra tariff levied on steel and aluminium supplies and tightening of the US visa regime and the American demand for the removal of control on stent prices and duties on ICT products by New Delhi, apart from easier FDI rules for e-commerce and greater market access – didn't feature in discussion.

FX VIEW

Overnight risk assets rebounded strongly and there is follow through in Asia today morning. Asian stocks are trading in the green but Asian currencies are mixed with CNY marginally weaker. Chinese delegation will meet the US trade negotiators on Thursday and Friday of this week with Vice Premier expected to lead the Chinese delegation. Market is hoping that the talks will be salvaged. In case, the talks break down and US presses ahead with a 25% tariff on Chinese goods, the impact can be quite adverse on risk assets.

Yesterday, USDINR did not move much, closed under 69.40 on spot. NDF is showing a flat open, around 69.36/38 levels. Brent crude has bounced back sharply, from an intraday low of 69 to now 71.20. If global equity markets continue to rally, so would oil prices, which is negative for INR. Rupee may continue to oscillate between 68.80 and 70.30 on spot.

There are no dominant themes to create a sustainable trend in the market. Risk on mood would cap upside, as inflows would continue in equity. At the same time, downside will be limited, as RBI would buy dollars and also outflows from debt would continue due to higher oil prices. ECB related inflows is also going to create some downside pressure as and when they occur. However, speculative positioning would remain light, due to election risk.

TECHNICAL VIEW:

Intermediate trend is still downward for USDINR as long as the pair is holding below 70.50 on spot. However, due to global events and suspected RBI intervention, sharp swings between 69.00 and 70.00 can continue to occur. Buying closer to 69.00, with stop below 68.80 and sell closer to 70.00/70.20 with stop above 70.50 spot. On INR crosses, EURINR is a sell on rise as long as below 79.50 on spot. On GBPINR, buying can be done on decline with stop below 89.80. On JPYINR, buying on decline remains the trade, with stop below 61.00 on spot.

*** CHART ON NEXT PAGE ***



Source: Bloomberg

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