

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	69.86	0.21%	0.8%	4%
EUR/INR	78.17	0.09%	0.0%	-2%
GBP/INR	90.86	0.19%	0.3%	-1%
JPY/INR	63.48	0.30%	1.7%	3%
EUR/USD	1.1189	-0.03%	-0.7%	-6%
GBP/USD	1.3006	0.00%	-0.4%	-4%
USD/JPY	109.92	-0.16%	-1.1%	0%
USD/CNH	6.8286	0.31%	1.6%	7%
10 YR YIELD- IN	7.38	0.01	0.01	(0.33)
10 YR YIELD- USA	2.46	(0.02)	(0.04)	(0.54)
GOLD (\$/Oz)	1,281	0.0%	-2%	-2%
SILVER (\$/Oz)	14.82	-0.1%	-3%	-10%
BRENT CRUDE (\$/Brl)	69.75	-0.9%	-1%	-10%
COPPER 3M (\$/Ton)	6148	-0.5%	-5%	-9%
NIFTY	11320	-0.35%	-3.02%	5%
HANGSENG	28463	-1.86%	-5.62%	-7%
S&P 500	2879	-0.16%	0.04%	7%
INR 1M FWD	0.26	0.01	(0.04)	0.03
INR 2M FWD	0.50	0.00	(0.04)	0.04
INR 3M FWD	0.77	(0.01)	0.02	0.11
INR 6M FWD	1.48	(0.07)	0.04	0.13
INR 12M FWD	2.93	(0.11)	0.19	0.39
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	406	515	2,057	10,283
FII INVESTMENT- DEBT (\$ Mn)	(13)	(661)	(2,231)	(962)
TOTAL- (\$ Mn)	392	(145)	(174)	9,321

CURRENCY	ECONOMIC DATA
USD	Fed Chair Powell Speaks

### INDIA NEWSWIRE

1. Pushing for more action from the Chinese side to increase imports of agricultural commodities and certain other goods from India, Commerce Ministry officials will meet representatives from the General Administration of Customs of China on Thursday in New Delhi to discuss ways to raise exports and close the bilateral trade gap further.

### WORLD NEWSWIRE

1. China's Commerce Ministry said Wednesday that Beijing will retaliate if U.S. tariffs on \$200 billion of Chinese goods are hiked to 25% from 10%. White House press secretary Sarah Huckabee Sanders reinforced Trump's tweet, saying the administration has received "indications" from the delegation that they would like to make a deal.

### FX VIEW

Six consecutive days of decline was witnessed in the Indian stock market, with rate cyclical sectors continuing to register deep losses. Nifty is down a little over 4% from the life-time high of 11856. Though prima-facie global markets can be blamed for the deluge but there are troubling signs in the domestic economy too. Companies catering to consumers, from discretionary to non-discretionary have reported slowdown. Auto sector is facing the brunt of this consumer's cutting back on purchases. Rating agencies have downgraded several entities in the real estate sector and NBFC, even a major bank like Yes bank has faced heat on its lending standards. Markets also have to grapple with what kind of a political formation arises post LS elections. Two more phases to go and as of now the mood amongst market participants suggest that market is swinging between scenarios of significantly reduced majority for NDA towards an absolute majority for BJP alone. Even if the elections offer a boost to markets, sustaining those gains can be difficult with risks facing the economy and the financial sector.

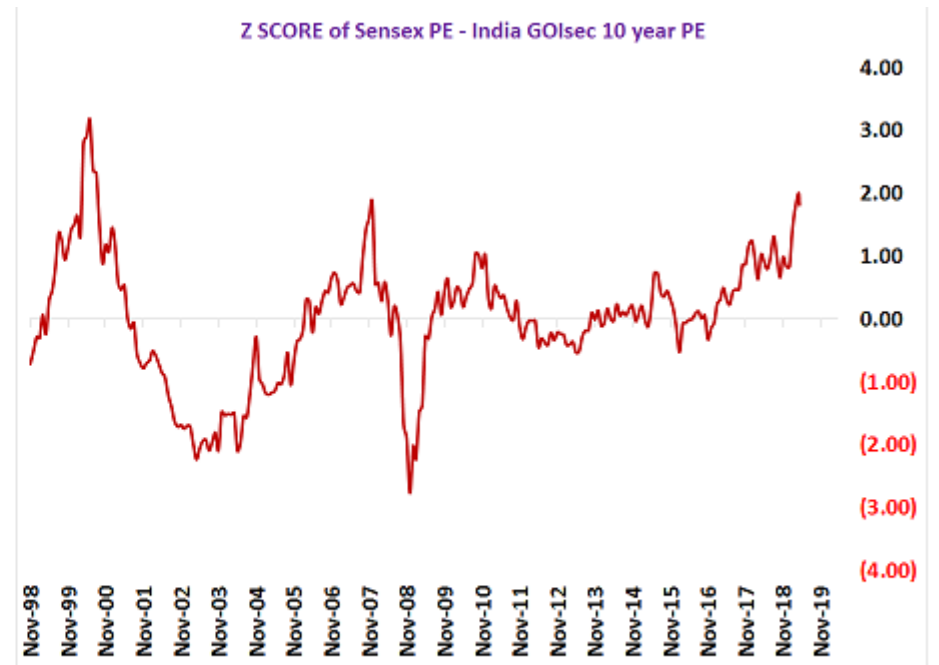
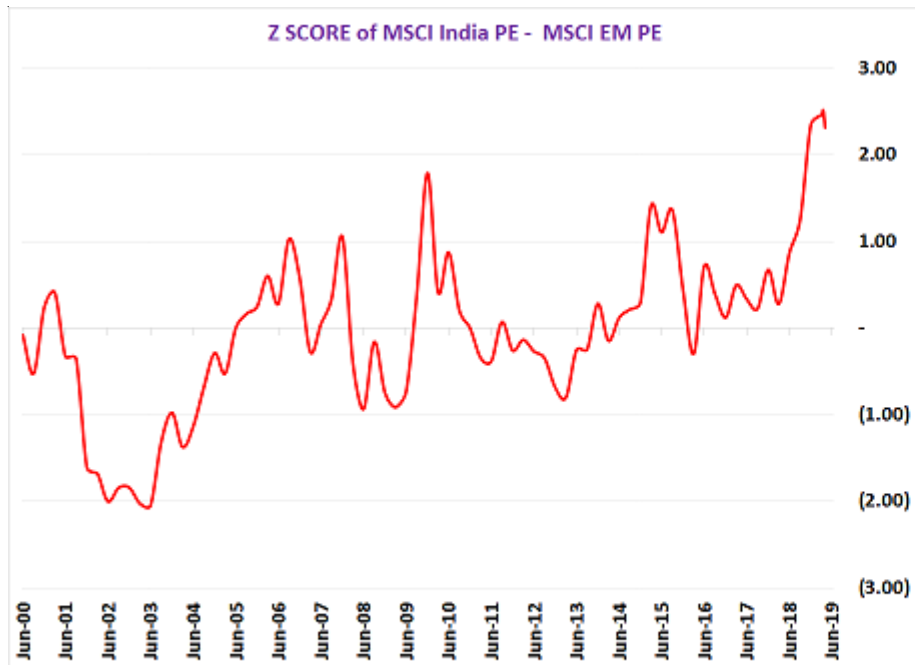
Overnight US markets had a mixed session but today morning, Asian stocks are under pressure. Odds of a no-deal is rising once again. No we are not referring to Brexit deal here ?. Now the game of 'deal or no deal' is being played by China and America. China is more than eager to sign on the dotted line, as compliance can always be suspect. However, America seems to be in much more belligerent mood. Whether this brinkmanship is political ploy to convince its core voters or not, needs to be seen. If the deal is signed or even if the deadline is extended from Friday, then we expect a risk on rally across equity and sell-off in USD against high yielding EM currencies. On the other hand, a no deal, will have just the opposite effect.

One positive impact of the renewed fears of a trade war has been on oil prices. Though much of the fall from 75.50 to 69.00 occurred before the tweet from US President on trade, but the trade skirmish is adding to the downward pressure. In a way, the low oil prices could be keeping the INR in check, though there is depreciation against Dollar but the magnitude of the losses are smaller, than it could have been, if oil had stayed resilient.

### TECHNICAL VIEW & RUPEE CROSSES:

USDINR is trading higher, around 69.88 on NDF. USDINR may aim for 70.00/70.20 zone, where fresh selling is expected. However, downside is limited as of today, unless things calm down in the west. USDINR to draw support from 69.50/60 zone on spot. Play this range.

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



*Indian stock market is quoting substantial historical premium to Emerging markets as well as its own Bond market. Any political risk or economic risk can upend the situation*

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