

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR	
USD/INR	68.67	-0.31%	1.8%	6%	
EUR/INR	80.77	0.07%	1.6%	9%	
GBP/INR	91.31	0.20%	1.4%	9%	
JPY/INR	62.17	-0.29%	1.4%	9%	
EUR/USD	1.1763	0.14%	-0.2%	3%	
GBP/USD	1.3298	0.11%	-0.6%	3%	
USD/JPY	110.45	-0.02%	0.4%	-3%	
USD/CNH	6.6336	-0.46%	3.5%	-3%	
10 YR YIELD- IN	7.87	(0.00)	(0.08)	1.34	
10 YR YIELD- USA	2.84	0.02	(0.11)	0.45	
GOLD (\$/Oz)	1,259	0.3%	-3%	4%	
SILVER (\$/Oz)	16.11	0.4%	-5%	3%	
BRENT CRUDE (\$/Brl)	77.47	0.5%	1%	66%	
COPPER 3M (\$/Ton)	6282	-1.0%	-13%	7%	
NIFTY	10825	0.49%	0.53%	12%	
HANGSENG	28740	1.50%	-7.16%	13%	
S&P 500	2760	0.85%	-0.69%	14%	
INR 1M FWD	0.25	0.02	0.00	0.00	
INR 2M FWD	0.50	(0.01)	0.03	(0.01)	
INR 3M FWD	0.76	0.04	0.05	(0.02)	
INR 6M FWD	1.52	0.06	0.11	0.02	
INR 12M FWD	2.96	(0.02)	0.09	0.04	
		1 DAY	MTD	QTD	YTD
FII INVESTMENT- EQ (\$ Mn)	36	73	73	(549)	
FII INVESTMENT- DEBT (\$ Mn)	114	124	124	(5,985)	
TOTAL- (\$ Mn)	151	197	197	(6,533)	

CURRENCY	ECONOMIC EVENT
EUR	ECB President Draghi Speaks

INDIA NEWSWIRE

1. Data compiled by the apex industry body, the Clothing Manufacturers' Association of India (CMAI), showed India's apparel exports at \$1.35 billion and \$1.34 billion in April and May 2018, a decline of 23 per cent and 17 per cent respectively. During FY18, apparel exports from India fell by 4 per cent to \$16.72 billion.
2. \$100-billion Delhi-Mumbai Industrial Corridor project hits land hurdle in Rajasthan.

WORLD NEWSWIRE

1. Brexit Secretary David Davis and 2 other ministers resign on Sunday in protest against May's soft exit from the EU.

FX VIEW

Dollar Rupee managed to keep the range of 68.40 to 69.00 and 69.10 alive on spot. On one hand the central bank remains committed to actively intervene in derivatives/spot market to sell US Dollar every time Rupee threatens to break past 69.00 on spot. However, on the other hand, speculators are eager to buy into the dip and that keeps the pair floating above 68.50 on spot. Intermarket risks are well known and hence not enough to trigger a upside breakout from the range. For Rupee to appreciate past 68.40 and continue there needs to a sharp depreciation in the US Dollar against major currencies in DM and EM block, including CNH. USCNH is oscillating between 6.60-6.70 and a break of this range may influence USDINR. Brent crude is gradually inching upward but still holding below the 80 handle, now at \$ 77.60 a barrel. Asian equities are trading higher with Dow futures up around a percent.

For the week, Rupee and bond traders have economic data releases from India to consider. India is going to release the consumer inflation print for June, which is expected to harden to 5.3% from 4.87% in May. IIP for the month of May is expected to show improvement in growth from 4.9% in April to 5.2% in May. If inflation surprises on the upside and so does growth, then we can see India 10 year yields harden towards 7.95% and Indian Rupee depreciate a bit. A stronger growth and higher inflation is a clarion call for RBI to keep raising interest rates at a greater frequency.

Technically, USDINR is caught within a range of 68.40/50 and 69.00/69.10 on spot. Keep playing this range, as long as it holds. Once the range dissolves and a trend emerges, we would play in that direction. In case trend reverses lower, then below 68.40, it can aim for 67.70 levels on spot. Similarly, in case of a sustained breakout above 69.10, pair can aim for the 70.00 handle.

On majors, focus will be GBP and Euro. GBP, due to political risk and Euro, due to the upcoming release of minutes of ECB's last meeting. In GBP, Ms May and her team has presented a "soft Brexit" plan which keeps UK in the customs Union with EU and avoids a hard border between the two Irelands. However, there have been a few high profile resignations from her government, and that has increased the risk, that Ms May's leadership could be challenged. At the same time, all eyes will be on EU, whether they agree to the UK's proposal or not. GBP is expected to quite volatile this week. Technically, GBPINR is a buy on a decline with stop below 89.00 on spot. On EURINR, we continue to remain bullish for a target of 81.50 and then 82.00 on spot. JPYINR is also a buy on dips with stops below 60.00 on spot.

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