

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	74.27	-0.16%	2.4%	12%
EUR/INR	85.48	0.42%	1.9%	10%
GBP/INR	97.73	0.69%	4.2%	12%
JPY/INR	65.72	0.05%	0.8%	12%
EUR/USD	1.1510	0.17%	-0.7%	-3%
GBP/USD	1.3158	0.11%	1.0%	0%
USD/JPY	113.03	0.06%	1.7%	1%
USD/CNH	6.9231	0.09%	0.8%	5%
10 YR YIELD- IN	8.06	(0.02)	(0.10)	1.32
10 YR YIELD- USA	3.21	0.00	0.28	0.85
GOLD (\$/Oz)	1,189	0.0%	-1%	-8%
SILVER (\$/Oz)	14.38	-0.1%	1%	-16%
BRENT CRUDE (\$/Brl)	84.82	-0.2%	10%	50%
COPPER 3M (\$/Ton)	6292	1.8%	6%	-6%
NIFTY	10348	0.45%	-9.53%	3%
HANGSENG	26253	0.31%	-1.35%	-8%
S&P 500	2880	-0.14%	0.11%	13%
INR 1M FWD	0.30	0.02	0.05	0.05
INR 2M FWD	0.57	(0.00)	0.01	0.07
INR 3M FWD	0.83	(0.01)	0.06	0.13
INR 6M FWD	1.59	(0.01)	0.08	0.21
INR 12M FWD	3.26	0.01	0.10	0.49
		<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>
FII INVESTMENT- EQ (\$ Mn)	(158)	(1,576)	(1,576)	(3,581)
FII INVESTMENT- DEBT (\$ Mn)	(302)	(439)	(439)	(7,549)
TOTAL- (\$ Mn)	(460)	(2,015)	(2,015)	(11,130)

CURRENCY	ECONOMIC EVENT
GBP	GDP & Manufacturing Production

### INDIA NEWSWIRE

- The Reserve Bank of India (RBI) on Tuesday announced it will inject Rs 120 billion liquidity into the system through purchase of government bonds on October 11 to meet the festival season demand for funds.
- SBI said it will triple its target of buying standard loans from non-banking financial companies to up to INR 45,000 crore in FY19. The move is expected to give an additional liquidity cushion to NBFCs who will benefit by selling these loans on full-cash basis.

### WORLD NEWSWIRE

- Global debt levels reached a record \$182 trillion in 2017, having grown 50 percent in the previous decade, but the picture looks less grim when public assets are taken into account, the International Monetary Fund said on Wednesday.

### FX VIEW

Overnight US equities were mixed as Dow & SP500 closed marginally in the red but Nasdaq closed in the green. US yields came off from 3.23% to 3.20% and crude oil bounced to 85.00 dollars on Brent. Euro and GBP oscillated within a range, as Italy led weakness Euro during the European session did not last into the US session as both the currencies rebounded. The cool-off in US long term yields and rally in Euro helped Dollar Rupee to come-off from highs of 74.40 on spot reference in the NDF towards 73.95 levels on spot. However, rebound in oil prices did not allow the Rupee to settle below 74.00 by close.

Political risk notched higher in US after their United Nations Ambassador Nikki Haley said she will leave at the end of the year, the latest departure from President Donald Trump's national security circle. At the same time, President Donald Trump that he does not like the Federal Reserve's decision to continue to hike interest rates. The one two punch coming from White house may have been the culprit behind the Dollar's fall overnight. Rupee also got a helping hand from a news carried by Bloomberg on possible NRI bond issuance by India. It is expected in the market that at some point, if the Rupee depreciation continues, Gol may opt for a NRI bond issuance to support the currency. However such an exercise would require India to offer attractive rates of interest, cost of which may have to borne by RBI. During 2013, the cost was implicit and unhedged and the subsequent massive rally in currency may have helped RBI eliminate the cost of subsidised interest rates on the NRI bonds.

All in all, higher oil prices, still elevated yields in the US bond market and continuing outflows from Indian debt and equity markets would remain headwinds for Rupee. Traders need to keep an eye on Italian bond yields, if those yields spike further, it will not only drag Euro lower but also the Rupee with it.

### TECHNICAL VIEW & RUPEE CROSSES:

USDINR is trading around 74.12 on spot. Technically, USDINR remains in an uptrend. If the pair manages to sustain above 72.90 on spot, above the last few weeks range of 71.50-72.90, then it can aim for 74.50/75.00 on spot. Nevertheless, if the pair fails to sustain above 72.90, then we can expect the old range of 72.00 and 73.00 to come into play. On crosses, buy on dips in EURINR with stop below 83.80 & on GBPINR with stop below 94.00 on spot. JPYINR has broken out above a major downward sloping trend line. Buy on decline with stop below 63.00 for an initial target of 67.00/68.00 on spot, and eventually towards 70.00 levels.

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