

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	70.42	0.01%	-2.0%	10%
EUR/INR	81.20	-0.02%	-0.8%	6%
GBP/INR	89.91	0.19%	-0.9%	4%
JPY/INR	65.04	0.09%	2.5%	12%
EUR/USD	1.1529	0.25%	1.9%	-4%
GBP/USD	1.2767	0.16%	2.2%	-6%
USD/JPY	108.27	-0.15%	-4.7%	-3%
USD/CNH	6.7486	-0.67%	-2.3%	4%
10 YR YIELD- IN	7.59	0.06	0.00	0.33
10 YR YIELD- USA	2.73	(0.02)	(0.15)	0.19
GOLD (\$/Oz)	1,292	0.5%	4%	-2%
SILVER (\$/Oz)	15.69	0.8%	8%	-8%
BRENT CRUDE (\$/Brl)	61.53	-0.2%	2%	-11%
COPPER 3M (\$/Ton)	5930	-0.5%	-3%	-17%
NIFTY	10825	0.03%	2.61%	2%
HANGSENG	26571	0.19%	3.10%	-15%
S&P 500	2597	0.45%	-1.52%	-6%
INR 1M FWD	0.24	(0.00)	(0.02)	0.01
INR 2M FWD	0.45	(0.00)	(0.04)	(0.00)
INR 3M FWD	0.71	(0.01)	0.00	(0.01)
INR 6M FWD	1.42	(0.02)	(0.04)	(0.00)
INR 12M FWD	2.80	(0.02)	(0.05)	0.01
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	68	(195)	(195)	(195)
FII INVESTMENT- DEBT (\$ Mn)	62	8	8	8
TOTAL- (\$ Mn)	129	(187)	(187)	(187)

CURRENCY	ECONOMIC DATA
GBP	GDP
USD	CPI

### INDIA NEWSWIRE

- Two million additional MSMEs in India will become eligible to opt out of the goods and services tax system from the beginning of the next financial year, the GST Council decided on Thursday. GST Council announced that the annual turnover threshold for exemption from GST registration to Rs 40 lakh from the current Rs 20 lakh, introducing a composition scheme for services, easing return filing procedures, and raising the composition threshold for traders and manufacturers. However, for services providers, the threshold remains the same at Rs 20 lakh.
- Non-resident Indians (NRI) stepped up their deposits in India in November, increase of USD 4.15 billion.

### WORLD NEWSWIRE

- Treasury Secretary Steven Mnuchin said that Chinese Vice Premier Liu He will "most likely" visit Washington later in January for trade talks.

### FX VIEW

Dollar Rupee has failed to sustain above 70.50 on spot, which is not surprising, considering the inter-market backdrop. Though oil prices have jumped over 20% from the recent lows of around 50 dollars a barrel on Brent, but risk-on mood in equity & credit markets and softness in Dollar against major currencies, especially the Chinese currency. USCNH has dropped from 6.89 to 6.75 now. Historically, there have been periods of divergence between USDINR and USDCNH, but they have not sustained for long. Therefore, if USDCNH continues to fall, let say, towards 7.65, then it can possibly drag USDINR back towards 70.00 levels on spot. We would not be surprised if INR weakens against CNH, which means, USDINR can continue to fall less in magnitude, than USDCNH.

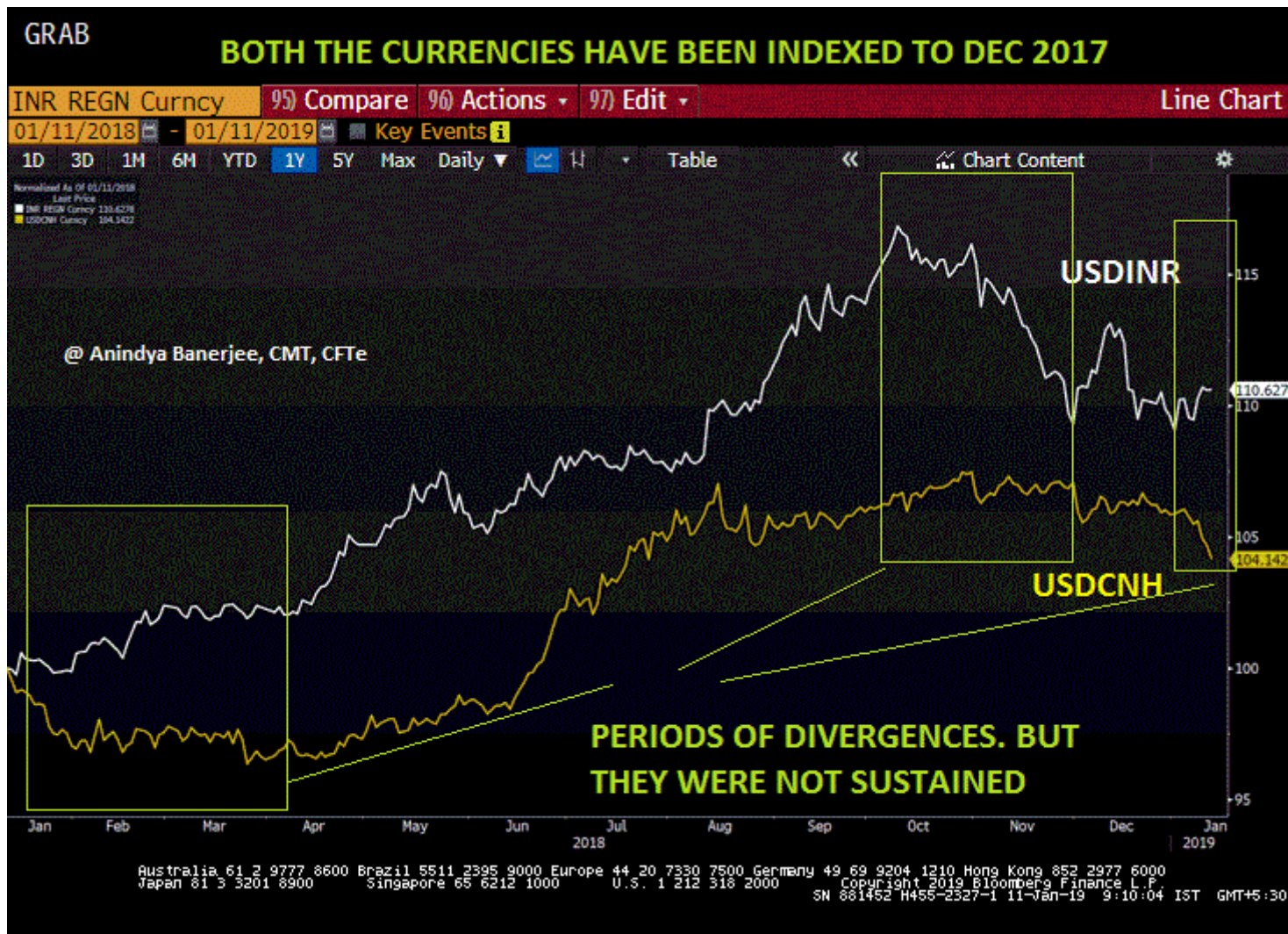
Overnight, US Fed chair and vice chair, both reiterated that Fed would stay on pause as the inflation remains below target. However, they exuded confidence on the US economy, as labour market remains tight and wage gains are picking up pace. Fed's dovishness continues to be a drag on Dollar. During 2017, when Fed had talked about going slow on rate hikes, during first half, Dollar got smashed but that time, traders had Euro to play monetary policy convergence. Right now, ECB is unsure as Eurozone economic growth has slumped and even EMs are under pressure. Therefore, it is important, that Chinese economy shows some recovery, which can then feed onto growth for the EMs.

In other news, President Donald Trump said he is cancelling this month's trip to World Economic Forum in Davos, Switzerland, because of the ongoing partial government shutdown. The longer the shutdown continues, it will begin to impact economic growth. At the same time, ratings agency Fitch has warned that if an impasse occurs over debt ceiling, its ratings could be under threat. Political troubles is negative for the Dollar. As of now, US equity market has ignored political issues and focussed on dovish Fed and Sino-US trade truce.

### TECHNICAL VIEW:

USDINR is facing supply above 70.50 levels on spot. Intermarket remains negative for USD except for crude oil. Therefore, for fresh longs we would look at levels closer to 70.00 or below to enter fresh longs. At current levels if USD longs have to entered, then range forward, with 70.50 call option and 69.50 put option for Feb end can be considered. On Rupee crosses, EURINR remains a buy on decline with stops below 78.00 on spot. On JPYINR, buy on decline as long as prices holding above 62.00 on spot.

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



Source: Bloomberg

## Disclaimer/Disclosures

---

Kotak Securities Limited established in 1994, is a subsidiary of Kotak Mahindra Bank Limited. Kotak Securities is one of India's largest brokerage and distribution house. Kotak Securities Limited is a corporate trading and clearing member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSE), National Commodity and Derivatives Exchange (NCDEX) and Multi Commodity Exchange(MCX).Our businesses include stock broking, services rendered in connection with distribution of primary market issues and financial products like mutual funds and fixed deposits, depository services and Portfolio Management.

Kotak Securities Limited is also a depository participant with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Kotak Securities Limited is also registered with Insurance Regulatory and Development Authority as Corporate Agent for Kotak Mahindra Old Mutual Life Insurance Limited and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI). We are registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advise/warning/deficiency letters or levied minor penalty on KSL for certain operational deviations. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time. We offer our research services to clients as well as our prospects.

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions. This material is for the personal information of the authorized recipient, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of Kotak Securities Ltd. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed. Neither Kotak Securities Limited, nor any person connected with it, accepts any liability arising from the use of this document. The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavour to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

Kotak Securities Limited has two independent equity research groups: Institutional Equities and Private Client Group. This report has been prepared by the Private Client Group. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Equities Research Group of Kotak Securities Limited. We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed if any or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Kotak Securities Limited (KSL) may have proprietary long/short position in the above mentioned scrip(s) and therefore may should be considered as interested. The views provided herein are general in nature and does not consider risk appetite or investment objective of particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with KSL. Kotak Securities Limited is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies if any and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

## Disclaimer/Disclosures

---

No part of this material may be duplicated in any form and/or redistributed without Kotak Securities' prior written consent. Details of Associates are available on our website ie [www.kotak.com](http://www.kotak.com) Research Analyst has served as an officer, director or employee of Subject Company: NA

We or our associates may have received compensation from the subject company, if any in the past 12 months.

We or our associates may have managed or co-managed public offering of securities for the subject company(ies) in the past 12 months: NA

We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company, if any in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company, if any in the past 12 months. We or our associates have not received any compensation or other benefits from the Subject Company if any or third party in connection with the research report. Our associates may have financial interest in the subject company if any.

Research Analyst or his/her relative's financial interest in the subject company(ies) : NA

Kotak Securities Limited has financial interest in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report : NA

Our associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Research Analyst or his/her relatives has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report: NA

Kotak Securities Limited has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report: NA

Subject Company, if any may have been client during twelve months preceding the date of distribution of the research report.

Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: [www.kotak.com](http://www.kotak.com) / [www.kotaksecurities.com](http://www.kotaksecurities.com). Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. Film City Road, A K Vaidya Marg, Malad (East), Mumbai 400097. Telephone No: 42856825. SEBI Registration No: INZ000200137(Member of NSE, BSE, MSE, MCX & NCDEX), AMFI ARN 0164, PMS INP000000258 and Research Analyst INH000000586. NSDL/CDSL: IN-DP-NSDL-23-97.

Compliance Officer Details: Mr. Manoj Agarwal. Call: 022 - 4285 8484, or Email: [ks.compliance@kotak.com](mailto:ks.compliance@kotak.com). In case you require any clarification or have any concern, kindly write to us at below email ids:

o Level 1: For Trading related queries, contact our customer service at '[service.securities@kotak.com](mailto:service.securities@kotak.com)' and for demat account related queries contact us at [ks.demat@kotak.com](mailto:ks.demat@kotak.com) or call us on: Toll free numbers 18002099191 / 1860 266 9191

o Level 2: If you do not receive a satisfactory response at Level 1 within 3 working days, you may write to us at [ks.escalation@kotak.com](mailto:ks.escalation@kotak.com) or call us on 022-42858445 and if you feel you are still unheard, write to our customer service HOD at [ks.servicehead@kotak.com](mailto:ks.servicehead@kotak.com) or call us on 022-42858208.

o Level 3: If you still have not received a satisfactory response at Level 2 within 3 working days, you may contact our Compliance Officer (Name: Manoj Agarwal) at [ks.compliance@kotak.com](mailto:ks.compliance@kotak.com) or call on 91- (022) 4285 6825.

o Level 4: If you have not received a satisfactory response at Level 3 within 7 working days, you may also approach CEO (Mr. Kamlesh Rao) at [ceo.ks@kotak.com](mailto:ceo.ks@kotak.com) or call on 91-(022) 4285 8301.