

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	68.82	0.00%	2.0%	6%
EUR/INR	80.73	0.22%	1.6%	9%
GBP/INR	91.27	0.18%	1.4%	9%
JPY/INR	61.95	0.21%	1.1%	9%
EUR/USD	1.1730	-0.12%	-0.5%	2%
GBP/USD	1.3262	-0.11%	-0.9%	3%
USD/JPY	111.10	0.09%	1.0%	-3%
USD/CNH	6.6752	0.37%	4.1%	-2%
10 YR YIELD- IN	7.90	0.00	(0.06)	1.42
10 YR YIELD- USA	2.84	(0.01)	(0.11)	0.48
GOLD (\$/Oz)	1,251	-0.4%	-4%	3%
SILVER (\$/Oz)	15.95	-0.7%	-6%	1%
BRENT CRUDE (\$/Brl)	78.13	-0.9%	2%	64%
COPPER 3M (\$/Ton)	6333	-0.9%	-13%	9%
NIFTY	10951	0.03%	1.52%	12%
HANGSENG	28247	-1.52%	-9.07%	9%
S&P 500	2794	0.35%	0.43%	15%
INR 1M FWD	0.25	(0.00)	0.02	(0.01)
INR 2M FWD	0.51	0.01	0.04	0.00
INR 3M FWD	0.78	0.02	0.05	0.02
INR 6M FWD	1.52	(0.00)	0.08	(0.01)
INR 12M FWD	3.00	0.02	0.13	0.06
	1 DAY	MTD	QTD	YTD
FII INVESTMENT- EQ (\$ Mn)	(108)	(206)	(206)	(828)
FII INVESTMENT- DEBT (\$ Mn)	(36)	(117)	(117)	(6,226)
TOTAL- (\$ Mn)	(144)	(323)	(323)	(7,053)

CURRENCY	ECONOMIC EVENT
GBP	BOE Gov Carney Speaks

INDIA NEWSWIRE

1. India and South Korea have set a target to increase bilateral trade to \$50 billion by 2030 from \$20 billion in 2017-18 and to speedily conclude negotiations to upgrade the bilateral Comprehensive Economic Partnership Agreement
2. A study, recently published by the Indian Council on Research on International Economic Relations (ICRIER) and the Organisation of Economic Cooperation and Development (OECD), said direct bank transfers (DBT) would work better than the existing targeted Public Distribution Scheme (tPDS) as the former not only plugs the leakages, but also helps in ensuring better nutritional security.

WORLD NEWSWIRE

1. German Chancellor Angela Merkel on Tuesday welcomed proposals on Britain's exit from the European Union drawn up by Prime Minister Theresa May's government, saying that they brought the Brexit process "a whole step forward". She also said, that EU will respond to Brexit White Paper on July 27.
2. In its monthly Job Openings and Labour Turnover Survey, or JOLTS, US Labour Department said the number of workers leaving jobs of their own free will increased 212,000 to 3.3 million. That lifted the quits rate to 2.4%, the highest since April 2001. The rise in the quits rate, which policymakers view as a measure of job market confidence, bolsters expectations that wage gains will accelerate this year.

FX VIEW

Rinse and repeat. That is how the trade has been for the past few weeks. USDINR has been caught oscillating between 68.40/50 and 69.00 on spot. Patient and nimble traders have made some money. Playing a range is a game of patience. Everytime USDINR has drifted lower, towards 68.50 to have gone ahead and issued tactical long \$ and short INR, aiming for a 20/30 paise pop. We have got several of them. Once the pair floated close to 68.90, we abstained from taking any fresh bets on the market. We are not eager to short USDINR, and hence did not go for a tactical short with stops above 69.00, as macro risks are positioned such, that an overnight trigger can create a gap up opening above 69.00. RBI remains an aggressive seller near 69.00 and speculators are getting in closer to 68.50. Once this range dissolves, and trend emerges, we would look to participate in that direction. Technically, the range measure is of 50 to 60 paise. If we take 69.00 as the level to project the upper target incase of a breakout, target level comes around 69.50/60 on spot. It may so happen, that USDINR may not halt at 69.50/60 and go all the way towards the psychological level of 70.00 on spot. Nevertheless, incase of a breakdown below 68.40, we can measure a downside target of 67.80 levels on spot.

Intermarket factors are favouring USD today, with CNH depreciating, at 6.68 against USD. Asian stocks are falling on the back of news that US may impose trade tariffs on another batch of USD 200 billion of imports from China. The tit for tat measures in trade are going to continue and with US stock market remaining resilient, there is no reason for Trump to back-off from the fight.

On majors, we remains bullish on Euro, GBP and JPY. GBP appears to be pricing a lot of negative from political situation in UK. We are skeptical as to how eager would the other members in Ms May's party will be to replace her and steer UK during this difficult period of Brexit negotiations. Therefore, if May survives and political risk fades a bit, we expect GBPINR to appreciate towards 92.00 levels on spot.

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