

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	71.80	0.13%	1.4%	-1%
EUR/INR	79.34	0.29%	0.0%	-6%
GBP/INR	88.71	0.23%	3.5%	-7%
JPY/INR	66.63	-0.06%	-0.9%	2%
EUR/USD	1.1051	0.07%	-1.5%	-5%
GBP/USD	1.2356	0.05%	2.3%	-5%
USD/JPY	107.71	0.16%	2.2%	-4%
USD/CNH	7.12	0.10%	0.2%	3%
10 YR YIELD- IN	6.61	0.04	0.11	(1.57)
10 YR YIELD- USA	1.72	(0.02)	(0.03)	(1.26)
GOLD (\$/Oz)	1,491	0.3%	-1%	24%
SILVER (\$/Oz)	18.11	0.6%	6%	28%
BRENT CRUDE (\$/Brl)	62.80	0.7%	7%	-21%
COPPER 3M (\$/Ton)	5825	0.2%	1%	-1%
NIFTY	11029	0.2%	-0.7%	-3.6%
HANGSENG	27037	1.3%	4.2%	2.3%
S&P 500	2979	0.0%	2.1%	3.2%
INR 1M FWD	0.27	0.03	0.04	(0.00)
INR 3M FWD	0.75	(0.01)	0.06	(0.07)
INR 12M FWD	3.08	(0.00)	0.17	(0.14)
USDINR 1 MONTH ATM IV	6.58	0.03	(0.54)	(1.87)
USDINR 3 MONTH ATM IV	6.48	0.01	(0.45)	(1.89)
	1 DAY	MTD	QTD	CTD
FII INVESMENT- EQ (\$ Mn)	(175)	(845)	(4,978)	6,361
FII INVESMENT- DEBT (\$ Mn)	90	424	3,243	4,671
TOTAL- (\$ Mn)	(85)	(422)	(1,736)	11,032

CURRENCY	ECONOMIC DATA
USD	PPI

TECHNICAL VIEW

Currency pair ==> USDINR spot

View = Intermediate trend remains UPWARD above 71.40 on spot. With the pair having held the key support zone of 71.40/50, probability is high that the downward corrective move may be over.

Trade = Buy on decline. Reverse to short if the pair sustains below 71.40 on spot. Target 72.00 and 72.20.

Currency pair ==> GBPUSD spot

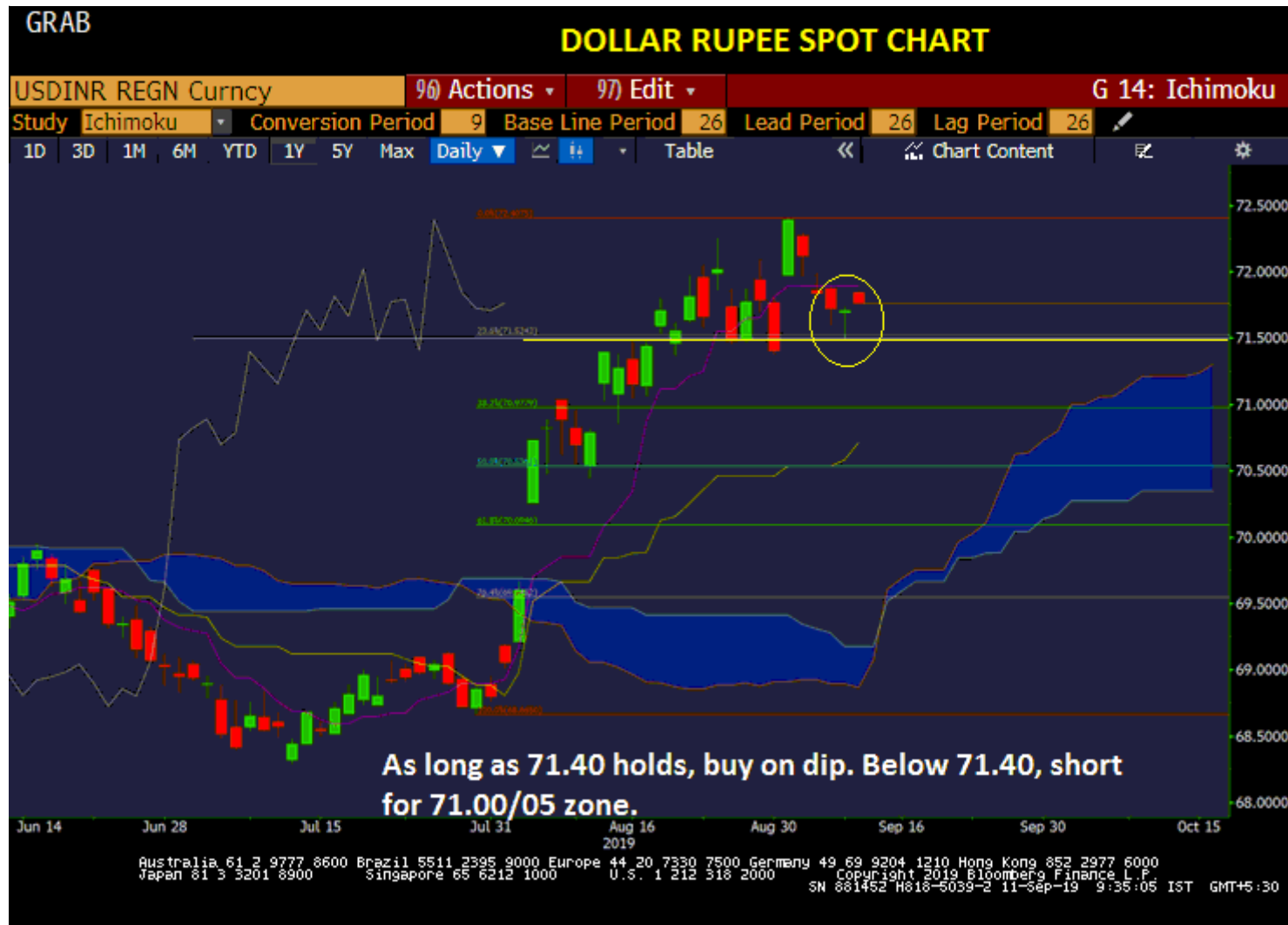
View = Buy on decline

Trade = Buy between 1.2290/1.2310 TP 1.2410/1.2430 SL 1.2240

MACRO VIEW

- On Monday, Nifty and Sensex closed higher by half a percent as high beta stocks led the market higher. Dollar Rupee bounced sharply from the intra-day lows of 71.50 to close near highs of the day at 71.70 levels on spot. It was speculative demand for dollars which caused the bounce in the pair as inter-market was very much risk on. Speculators covered shorts as the pair failed to break below the key support zone of 71.40/50 on spot. 10 year GOIsec yield closed 3 bps lower at 6.58%.
- US stocks closed mostly flat. However, US treasury yields continue to rebound. Flattening and inversion of the curve has reduced, a sign that traders are buying the rebound in global equity markets. Financial markets did not react much to the news of US national security adviser, John Bolton resigning. Mr. Bolton was seen as a hawk and we have to see who replaces him.
- Asian equity indices are trading mixed. Asian currencies are trading marginally higher against USD. USDCNH has not reacted much to the news of China removing the investment quotas for FPIs who are looking to invest in the Chinese market. USDCNH is holding above 7.11 levels, possibly due to weakness in the Euro. One reason why this step not seen as impactful over the near term as these channels have become increasingly overshadowed by the Stock Connect and Bond Connect schemes, which allow overseas investors to access China's onshore markets with no quotas.
- Brent crude oil is trading above 62 dollars a barrel after larger than expected fall in US oil inventories. Gold has fallen sharply, below 1500 dollars.
- Amongst the major, GBP would continue to offer the most trading opportunities. Yesterday, UK jobs report came out and in that UK Average Weekly Earnings was up 4% year-on-year in July, a fresh 11 year high. In normal times, this would be particularly beneficial for GBP. However, for Sterling in 2019 it is politics, which will likely dominate and we would not expect markets to be preoccupied with data until such a time as some material breakthrough in Brexit has been delivered. UK PM has his back to the wall with Parliament having made it quite difficult for him to opt for a "no-deal" Brexit. However, UK government will be looking for legal loopholes which they can exploit to wriggle out of the conditions which Parliament has imposed. Therefore, GBP remains in an uptrend for now but volatility can be very high.

*** CHART ON NEXT PAGE ***



Source: Bloomberg

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