

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR	
USD/INR	74.38	0.22%	2.3%	12%	
EUR/INR	86.02	0.75%	2.1%	10%	
GBP/INR	98.36	0.63%	3.7%	13%	
JPY/INR	66.31	1.22%	1.6%	12%	
EUR/USD	1.1565	0.39%	-0.4%	-2%	
GBP/USD	1.3224	0.21%	1.5%	0%	
USD/JPY	112.18	-0.08%	0.5%	0%	
USD/CNH	6.9407	0.24%	0.9%	5%	
10 YR YIELD- IN	8.00	(0.03)	(0.18)	1.26	
10 YR YIELD- USA	3.15	(0.01)	0.18	0.81	
GOLD (\$/Oz)	1,193	-0.1%	0%	-8%	
SILVER (\$/Oz)	14.29	0.0%	1%	-17%	
BRENT CRUDE (\$/Brl)	81.50	-1.9%	3%	43%	
COPPER 3M (\$/Ton)	6239	-0.8%	6%	-8%	
NIFTY	10210	-2.39%	-9.55%	2%	
HANGSENG	25207	-3.76%	-4.60%	-11%	
S&P 500	2786	-3.29%	-3.54%	9%	
INR 1M FWD	0.30	0.02	0.05	0.05	
INR 2M FWD	0.59	0.02	0.03	0.10	
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	3.23	(0.02)	0.00	0.45	
		<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	(111)	(1,687)	(1,687)	(3,692)	
FII INVESTMENT- DEBT (\$ Mn)	(98)	(537)	(537)	(7,647)	
TOTAL- (\$ Mn)	(209)	(2,224)	(2,224)	(11,339)	

CURRENCY	ECONOMIC EVENT
GBP	BOE Gov Carney Speaks
EUR	ECB Monetary Policy Meeting Accounts

### INDIA NEWSWIRE

- The Ministry of Electronics and Information Technology (MeitY) has come out with the draft notification of the 'National Policy on Electronics 2018' for the domestic electronics system design and manufacturing sector. MeitY said it will coordinate with the ministries and departments concerned to provide incentives to the industry for rapid and robust expansion of electronics hardware manufacturing.

### WORLD NEWSWIRE

- US President Donald Trump took a stab at the Fed he said, "I think the Fed has gone crazy. I think the Fed is making a mistake. They are so tight. But I really disagree with what the Fed is doing."
- IMF's Lagarde says emerging markets should use all tools possible to control inevitable capital outflows

### FX VIEW

Dollar market is a tale of two cities. Dollar against EM currencies and non-oil commodity linked DM currencies are getting hammered almost every week but on the other hand rest of the DM block is clawing higher against the Greenback. We had seen such a trend play out during 2013 and 2015 when monetary policy divergence in US against rest of world, caused Dollar to behave in a similar way. During those times, it was Fed's mild tightening that coincided with easing all over the world, causing capital to flow from east to west. This time, it is not that other central banks are not tightening their monetary policies, which they are, but pace of Fed tightening has picked up pace. If the Fed's guidance to be believed then they remain committed to sucking liquidity from economy and financial markets at an even faster pace. All these keeps speculative capital flowing from east towards west. Not a good news for the Indian Rupee.

Overnight, after months of divergence between US stock markets and rest of world, we witnessed a brutal convergence. US equity indices were down between 3-4% and the sell-off continues after hours as well. Asian stocks are being knocked out of the park and the Nifty is showing a cut of nearby 2.5% in SGX. Dollar is the king across Asia today and Rupee is trading at an all-time fresh low against USD at 74.50 on spot reference in NDF.

For the day, we will continue to buy on decline as the trend remains firmly higher. Risk aversion in financial markets can negate the impact of sell off in oil prices. As long as oil is falling due to broad-based risk aversion, it is no good for the Rupee. Yesterday, Rupee could not benefit much from the 2-4% rally in domestic equity market, goes on to show, how strong the grip of bears are.

### TECHNICAL VIEW & RUPEE CROSSES:

USDINR is trading around 74.35 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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