

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	72.90	0.28%	4.1%	12%
EUR/INR	84.50	0.34%	5.9%	10%
GBP/INR	94.84	0.17%	6.0%	10%
JPY/INR	65.39	0.26%	3.2%	11%
EUR/USD	1.1589	-0.15%	1.6%	-3%
GBP/USD	1.3007	-0.20%	1.8%	-2%
USD/JPY	111.48	-0.13%	0.7%	1%
USD/CNH	6.8855	0.15%	-0.2%	5%
10 YR YIELD- IN	8.22	0.04	0.47	1.67
10 YR YIELD- USA	2.97	(0.01)	0.10	0.80
GOLD (\$/Oz)	1,194	-0.4%	0%	-10%
SILVER (\$/Oz)	14.09	-0.3%	-6%	-21%
BRENT CRUDE (\$/Brl)	79.34	0.4%	9%	46%
COPPER 3M (\$/Ton)	5859	-0.9%	-5%	-13%
NIFTY	11340	0.47%	-0.78%	13%
HANGSENG	26301	-0.46%	-7.28%	-6%
S&P 500	2888	0.37%	1.93%	16%
INR 1M FWD	0.29	0.02	0.02	0.06
INR 2M FWD	0.57	0.00	0.06	0.10
INR 3M FWD	0.83	0.01	0.07	0.14
INR 6M FWD	1.61	0.03	0.07	0.24
INR 12M FWD	3.23	0.07	0.22	0.46
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	(133)	153	83	(538)
FII INVESTMENT- DEBT (\$ Mn)	(47)	(733)	(273)	(6,382)
TOTAL- (\$ Mn)	(179)	(580)	(190)	(6,920)

CURRENCY	ECONOMIC EVENT
USD	PPI
USD	FOMC Member Brainard Speaks

### INDIA NEWSWIRE

1. In a temporary relief to stressed assets, the Supreme Court on Tuesday asked banks not to refer any case for insolvency under the February 12 circular of the Reserve Bank of India (RBI) for the next two months. The next hearing has been fixed for November 14.
2. According to media reports, special courts under the National Company Law Tribunal (NCLT) are likely to be set up by November to deal with an increasing number insolvency cases.

### WORLD NEWSWIRE

1. The optimism of small-business owners in the U.S. rose in August to an all-time high. U.S. job openings surged to a record high in July and more Americans voluntarily quit their jobs

### FX VIEW

Yesterday, Chinese comments did the trick. China said that they will approach WTO to impose trade sanctions on US. Right after EM currencies came under pressure and Dollar Rupee, which was looking for an excuse to ramp up to a new life high, did so quickly, from 72.25 to 72.73 on spot. Alleged central bank intervention prevented the local unit from making a run for 73.00 handle. High oil price was another reason to be short Rupee yesterday. Overnight, US stock markets closed in the green and US yields too edge higher. Stronger macro data from US kept the Dollar on the bid.

Today, Asian stock markets are unable to benefit from Wallstreet close. Major indices are bleeding and so are the Asian currencies. Oil is edging towards 80.00 on Brent, not a pretty template for the Rupee. We expect a fresh life time high to be scored, with risk that prices can attempt a breach of 73.00 handle. Weaker Rupee and higher oil is like a Molotov cocktail for the Indian financial markets. Bond yields are hardening and higher yields are making equity appear expensive and hence they are being marked down. Weakness in bonds and equities is encouraging reflexive short position in the INR and which in turn in feeding the selling frenzy in local assets, a vicious cycle. For this cycle to reverse, either oil has to collapse or EM assets have to reverse gear. Till then we have to wait.

### TECHNICAL VIEW:

Technically, USDINR remains in an uptrend. However, near term pullback of 1-1.5% cannot be ruled out. For the day, we would buyers on dips with stop below 72.00 on spot. Resistance remains around 73.00 and 73.50. on spot.

Rupee pairs like EURINR, GBPINR and JPYINR continue to march higher due to Rupee weakness. On EURINR we would be considering fresh tactical longs only on a decline towards 82.00 levels on spot. On GBPINR, the pair is getting a lift from positive developments on Brexit. According to CFTC report speculative funds are heavily short on GBPUSD in the CME. If the Brexit headlines continue to evolve well for UK, we can expect a sizable short covering rally in GBP. We would not rule out a move towards 100/101 on GBPINR over the next couple of months under that scenario. For fresh tactical longs, buying between 92.00/93.00 can be considered with stops below 90.00 handle. On JPYINR, we continue to remain bullish as we upgraded our medium term target from 65.00 to 70.00 However, for fresh longs we would wait for a corrective dip towards 63.00/63.50 on spot.

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