

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	71.42	-0.35%	0.9%	-1%
EUR/INR	78.64	-0.31%	-0.8%	-6%
GBP/INR	88.06	-0.52%	2.8%	-7%
JPY/INR	66.21	-0.39%	-1.5%	2%
EUR/USD	1.1012	0.02%	-1.8%	-5%
GBP/USD	1.2330	0.03%	2.1%	-5%
USD/JPY	108.04	0.20%	2.5%	-3%
USD/CNH	7.09	-0.31%	-0.2%	4%
10 YR YIELD- IN	6.69	0.01	0.19	(1.44)
10 YR YIELD- USA	1.75	0.02	0.11	(1.21)
GOLD (\$/Oz)	1,495	-0.2%	-1%	24%
SILVER (\$/Oz)	18.08	-0.2%	6%	27%
BRENT CRUDE (\$/Brl)	61.21	0.7%	5%	-23%
COPPER 3M (\$/Ton)	5773	-0.9%	0%	-1%
NIFTY	11076	0.4%	-0.3%	-2.6%
HANGSENG	27060	-0.4%	4.8%	2.7%
S&P 500	3001	0.7%	4.1%	3.9%
INR 1M FWD	0.27	0.01	0.04	(0.01)
INR 3M FWD	0.76	0.01	0.07	(0.07)
INR 12M FWD	3.12	0.01	0.21	(0.09)
USDINR 1 MONTH ATM IV	6.38	(0.11)	(0.74)	(1.80)
USDINR 3 MONTH ATM IV	6.46	0.04	(0.47)	(1.64)
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	42	(804)	(4,937)	6,402
FII INVESTMENT- DEBT (\$ Mn)	38	462	3,281	4,709
TOTAL (\$ Mn)	80	(342)	(1,656)	11,111

CURRENCY	ECONOMIC DATA
EUR	ECB
USD	CPI

TECHNICAL VIEW

Currency pair => USDINR spot

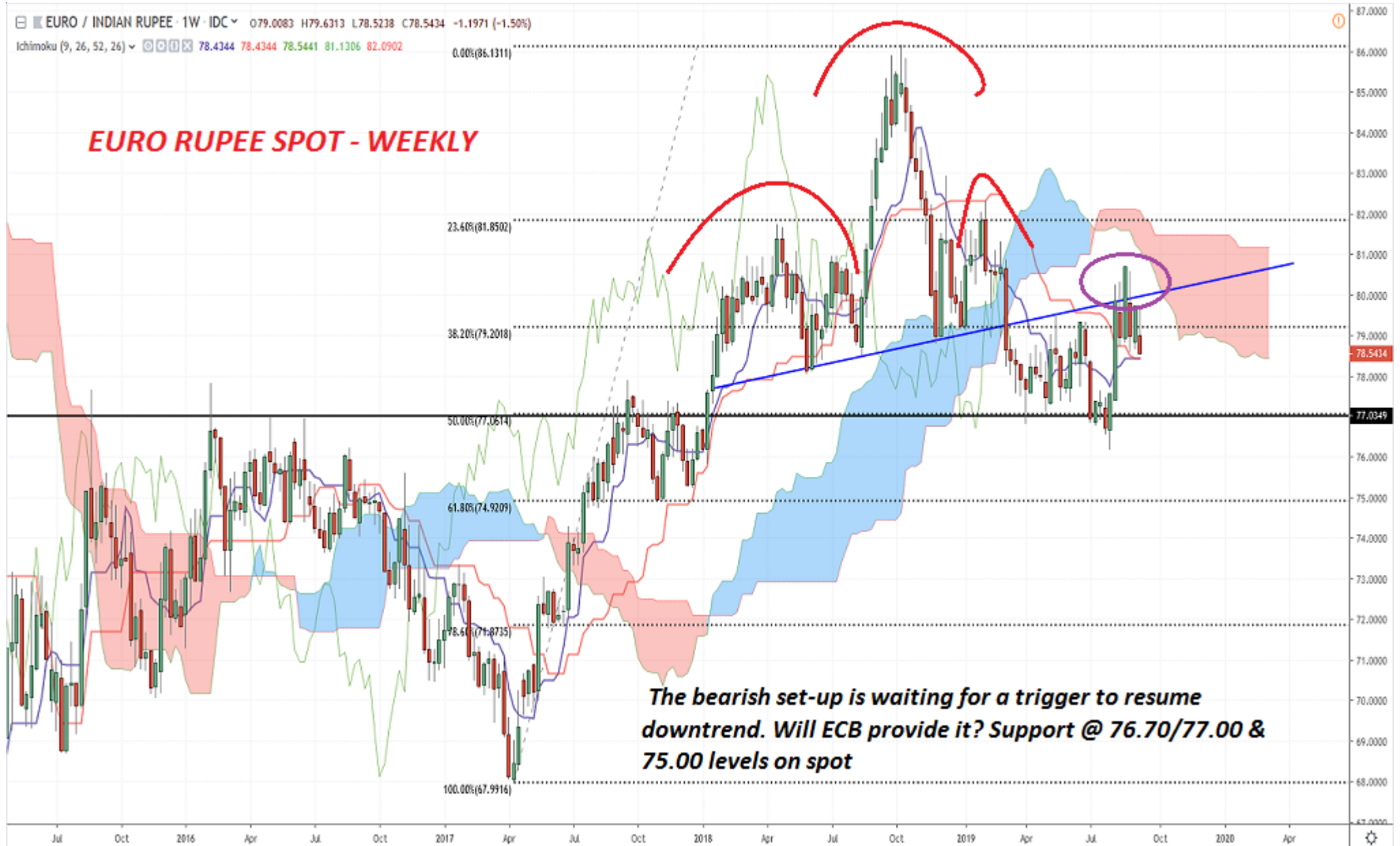
View = Intermediate trend turns down below 71.40 on spot.

Trade = If the pair trades below 71.40 and sustains, reverse to short for a target of 71.00 and even 70.80.

MACRO VIEW

- Nifty & Sensex continued to rally on September 11 for the fifth consecutive session, its longest streak in almost 6 months. Auto stocks and rate sensitive sectors rallied sharply on the back of talk of stimulus from the government. Indian Rupee closed marginally higher against the US Dollar at 71.66 on spot, 3 paise higher. Rupee has been moving in lock step with the Chinese currency. Recover in the Chinese currency and rally in the Asian currencies against USD kept Rupee sellers at bay. Some bids were noted from speculators as the pair failed to break below 71.60 on spot. However, that demand was not strong enough to take the pair higher. 10-year GOIsec yields spiked following cues from the US bond market, where yields rose to a month's high and oil prices firmed up. 10 year was at 6.68%, up 10 bps. The talk of more stimulus putting a strain on fiscal math also weighed on sentiments.
- US stocks jumped by nearly a percent higher. Talk of more easing from ECB coupled with China announcing that it will exempt some non-agricultural imports from US from Tariffs lifted the mood. Markets did not react much to President Donald Trump tweet, where he continued his verbal assault on the Federal Reserve, which he blames for slowing the economy, tweeting that the central bank should cut interest rates to zero or even set negative interest rates. Fed meets next week and is widely expected to lower rates by 25 bps. US treasury yields continued their ascent with US 10 year now yielding 1.75%, a month high and yield curve is less inverted, auguring well for risk assets.
- US President Donald Trump on Wednesday tweeted that he will delay increasing tariffs on \$250 billion worth of Chinese goods from Oct. 1 to Oct. 15 as a "gesture of good will" to China. China in return has issued a statement that they considering exempting agricultural imports from US. They together can boost risk assets.
- Asian equity indices are mostly higher, except for Hangseng. Signs of thaw in the Sino-US trade war is helping Asian equity. Asian currencies are trading higher against USD. USDCNH is falling sharply, now at 7.08. SGX Nifty is indicating an higher open for domestic stocks. Rupee too is trading strong at 71.40 levels on spot on the NDF spot reference.
- Brent crude oil is trading lower at 61 dollars as various agencies continue to downgrade their estimate of oil demand for 2019. Gold prices are hovering around 1500 dollars.
- Currency in focus today is Euro. ECB is expected to lower rates between 10-20 bps for deposit rates, further into negative zone. ECB may also announce tiering of the deposit rate to reduce impact on banks. At the same time, ECB may restart QE amounting to euro 30 billion per month. Central may downgrade its assessment on growth and inflation and guide for lower rates for a long period of time. This is the last meeting for ECB chief Draghi. Eurozone economic data has been with retail sales, manufacturing, business sentiment all being weak. With expectations sky high, it is key that ECB does not disappoint. A grand easing from ECB will be negative for Euro against all currency pairs. It will be bring back the carry trade via Euro. EuroINR is one pair which offers a strong carry trade opportunity. Check the chart on next page for technical outlook.

*** CHART ON NEXT PAGE ***



Source: TradingView

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 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 / 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). Member Id: NSE-08081; BSE-673; MSE-1024; MCX-56285; NCDEX-1262. 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. Investments in securities market are subject to market risks, read all the related documents carefully before investing.

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' and for demat account related queries contact us at 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 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 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: Mr. Manoj Agarwal) at ks.compliance@kotak.com or call on 91- (022) 4285 8484.
- o Level 4 : If you have not received a satisfactory response at Level 3 within 7 working days, you may also approach Managing Director / CEO (Mr. Jaideep Hansraj) at ceo.ks@kotak.com or call on 91-(022) 4285 8301.