

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	73.78	-0.47%	2.2%	12%
EUR/INR	85.63	-0.20%	2.3%	10%
GBP/INR	97.65	-0.37%	3.9%	12%
JPY/INR	65.67	-0.67%	1.5%	12%
EUR/USD	1.1605	0.10%	-0.2%	-2%
GBP/USD	1.3234	0.03%	1.4%	0%
USD/JPY	112.35	0.17%	1.0%	0%
USD/CNH	6.9016	0.33%	1.0%	5%
10 YR YIELD- IN	7.97	(0.02)	(0.17)	1.22
10 YR YIELD- USA	3.17	0.02	0.21	0.85
GOLD (\$/Oz)	1,221	-0.3%	1%	-6%
SILVER (\$/Oz)	14.58	0.0%	2%	-15%
BRENT CRUDE (\$/Brl)	80.68	0.5%	1%	43%
COPPER 3M (\$/Ton)	6242	0.0%	7%	-8%
NIFTY	10332	0.95%	-9.13%	2%
HANGSENG	25479	0.84%	-3.29%	-10%
S&P 500	2728	-2.06%	-5.56%	7%
INR 1M FWD	0.30	0.02	0.05	0.05
INR 2M FWD	0.59	0.00	(0.00)	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	3.19	(0.06)	(0.03)	0.42
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(146)	(1,833)	(1,833)	(3,838)
FII INVESTMENT- DEBT (\$ Mn)	(269)	(806)	(806)	(7,916)
TOTAL- (\$ Mn)	(415)	(2,639)	(2,639)	(11,754)

CURRENCY	ECONOMIC EVENT
USD	Prelim UoM Consumer Sentiment IMF Meetings

INDIA NEWSWIRE

1. In a move that will boost the domestic industry, the Centre has hiked the import duty on several telecom equipment.

FX VIEW

Today is one of those mornings, when what happened overnight in financial markets, though significant, but no longer relevant. It was a second day of rout in US stocks as key technical levels were breached and massive shorts on VIX futures are unwound. However, after hours US stock futures have rebounded sharply. One can point towards a WaPo news that US President may meet Chinese counterpart next month in the G-20 meeting in Argentina. The trade war between America and China is spreading into non-trade areas as well. Hence, it is important that the two countries come together and find a common path. In absence of that, the geo-political and economic priorities of China are going to clash with that of America's, risking a far uglier trade and business war, hurting not only both countries, though more China and less America, but it can take down the global economy with it.

Overnight, post US CPI release, which came in a tad softer than market expectation, triggered a sharp rally in bullion. Bullion can be a key signalling market for the broader Fiat currencies. There is a logical strong positive correlation between gold and Chinese Yuan and other EM currencies like Rupee. Hence, a rally in gold prices augurs well for the Chinese currency and Rupee as well. Technically, USDCNH is trying to form a choppy topping pattern above 6.91 levels. The possibility of such a top remains as long as the currency pair is not breaking above 7.00. a strong Euro and GBP are supporting factors for Yuan. For Rupee, a weak oil and a strong Yuan would come as a big boon. Therefore, we would urge readers to keep an eye on the correlation between these markets and how they evolve.

Today, Asian markets are trading mixed and SGX nifty is showing a marginally higher open. Dollar Rupee may open lower, around 73.80 on spot, down from 74.12 at close yesterday. For the day, Dollar Rupee is going to take cues from stock market and DXY. Central bank intervention may remain muted as Rupee is showing signs of strength.

In overnight news, The RBI sold \$4.95 billion in the forward dollar-rupee market in August, its highest reported monthly sale this year, according to the RBI's monthly bulletin. In contrast to forwards, the RBI sold only a net \$2.3 billion in August in the spot market, marginally above the \$1.8 billion figure for July. RBI may continue to prefer forward/futures markets over spot, as money market liquidity remains tight.

TECHNICAL VIEW & RUPEE CROSSES:

USDINR may open around 73.80/85 on spot. Technically, USDINR remains in an uptrend. USDINR nearly has achieved the target of 74.50 on spot. A period of consolidation is warranted. Support is around 73.80 and 73.50 levels on spot. Intermediate uptrend is not threatened as long as the pair holds above 72.90 on spot. 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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