

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	72.50	-0.70%	-2.6%	10%
EUR/INR	82.29	-1.10%	-3.4%	8%
GBP/INR	94.38	-1.27%	-2.8%	10%
JPY/INR	63.69	-0.80%	-3.1%	10%
EUR/USD	1.1328	-0.07%	-2.0%	-3%
GBP/USD	1.2939	-0.25%	-1.6%	-1%
USD/JPY	113.99	0.14%	1.6%	0%
USD/CNH	6.9477	0.00%	0.4%	4%
10 YR YIELD- IN	7.76	(0.04)	(0.31)	0.83
10 YR YIELD- USA	3.18	0.00	0.02	0.78
GOLD (\$/Oz)	1,211	0.1%	0%	-5%
SILVER (\$/Oz)	14.20	0.3%	-3%	-17%
BRENT CRUDE (\$/Brl)	71.03	1.2%	-12%	12%
COPPER 3M (\$/Ton)	6056	-1.6%	-4%	-11%
NIFTY	10585	-0.12%	1.08%	3%
HANGSENG	25693	0.36%	-0.42%	-12%
S&P 500	2781	-0.92%	0.50%	8%
INR 1M FWD	0.25	(0.00)	(0.05)	0.01
INR 2M FWD	0.50	0.00	(0.08)	0.01
INR 3M FWD	0.72	(0.02)	(0.11)	(0.00)
INR 6M FWD	1.48	(0.03)	(0.11)	0.01
INR 12M FWD	2.93	(0.06)	(0.32)	0.10
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	(37)	83	(3,670)	(5,675)
FII INVESTMENT- DEBT (\$ Mn)	21	722	(630)	(7,740)
TOTAL- (\$ Mn)	(16)	804	(4,300)	(13,415)

CURRENCY	ECONOMIC DATA
INR	IIP
INR	CPI

### FX VIEW

Indian Rupee is going to be opening weaker, around 72.85 on November futures and 72.75 on spot, as weakness in Chinese Yuan, other Asian currencies and also Euro and GBP would weight on Rupee. Rupee's direction against Dollar is largely a function of flows: capital flows as well as speculative flows occurring through the derivatives market, onshore as well as offshore. We have taken three time series to capture the intensity and direction of flows on a real time basis:

1. How is Dollar doing against 28 major currencies globally: captured by our equal weighted dollar index
2. Oil prices: Brent crude oil price
3. Indian stock market vis a vis US equity market in local currency terms.

Currently oil prices have turned significantly supportive for INR. However, strong US economic data and weakness in EM economies especially China is not allowing Dollar to weaken against most global currencies, which is negative for the currency. Indian stock market is moving more or less in line with US stock market, over the past month and hence, that factor remains neutral. All in all, case for a range bound trading remains at play. Range of 72.30/40 and 73.20/40 on spot.

For the week, traders have a lot of economic data and political news to chew. First up from India, the 5 state assembly elections have begun today. It is going to be a multi-phase polling with results being declared around 11th December for all five states. Traders will approach these polls as semi-finals before the big one in May-June 2019. If BJP fares well in the three key states: Rajasthan, Chhattisgarh and MP, then it can augur well for Rupee. However, a poor show from BJP can hurt Rupee as well Indian stock market.

For the week, traders will also watch the release of industrial production data for the month of September, which is expected to show a growth of around 5% and then CPI for October will be out, where inflation is expected to slow down towards 3.5%. Both the data are not expected to have significant impact on Rupee, barring a one day impact.

Globally, US economy will churn out the October CPI, which is expected to harden as higher import tariffs affect the US economy. It will be followed by US retail sales, which is expected to show strong growth for the month of October. From Eurozone, Italy is going to present a fresh budget with European Commission. We can expect more rift between EU and Italy over their deficit target, which can adversely impact Euro and through that, other EM currencies. From UK, inflation, jobs data and retail sales will be keenly watched. However, for GBP, Brexit remains the dominant theme. EU has rejected the proposals from PM May and now the talks are expected to go down the wire into December deadline. As we get closer to the December deadline, we expect GBP to weaken against USD as well Euro. However, any quick resolution can strengthen GBP. Therefore, traders have to nimble while trading GBP against Euro, USD, INR and JPY.

\*\*\* Please turn to the next page for the chart of the day \*\*\*



Primary trend remains upward as prices are holding above cloud and cloud itself is bullish with a strong upward slope. However, formation of lower low and lower high indicates that intermediate trend and short term trend has turned downward corrective. For the intermediate/ST trend to realign with the primary trend, USDINR needs to trade above 73.50 on spot. For the time being, as long as the pair holds below 73.50, play for choppy range between 72.30 and 73.30 on spot.

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