

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	70.13	0.32%	1.0%	4%
EUR/INR	78.75	0.33%	0.3%	-3%
GBP/INR	91.23	0.30%	0.2%	-1%
JPY/INR	63.88	0.55%	3.1%	4%
EUR/USD	1.1229	-0.04%	-0.7%	-6%
GBP/USD	1.3009	0.08%	-0.7%	-4%
USD/JPY	109.77	-0.16%	-2.1%	0%
USD/CNH	6.8859	0.60%	2.6%	8%
10 YR YIELD- IN	7.40	(0.01)	(0.01)	(0.33)
10 YR YIELD- USA	2.44	(0.03)	(0.13)	(0.53)
GOLD (\$/Oz)	1,284	-0.2%	0%	-2%
SILVER (\$/Oz)	14.70	-0.6%	-2%	-11%
BRENT CRUDE (\$/Brl)	70.84	0.3%	-1%	-8%
COPPER 3M (\$/Ton)	6126	0.4%	-5%	-11%
NIFTY	11295	0.14%	-3.00%	5%
HANGSENG	28550	0.84%	-4.55%	-8%
S&P 500	2881	0.37%	-0.89%	6%
INR 1M FWD	0.28	0.02	(0.03)	0.05
INR 2M FWD	0.52	(0.01)	(0.05)	0.07
INR 3M FWD	0.79	0.01	(0.04)	0.10
INR 6M FWD	1.51	0.01	(0.04)	0.14
INR 12M FWD	2.98	0.01	0.11	0.25
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	(79)	326	1,868	10,094
FII INVESTMENT- DEBT (\$ Mn)	(16)	(548)	(2,118)	(850)
TOTAL- (\$ Mn)	(95)	(222)	(250)	9,244

CURRENCY	ECONOMIC DATA
INR	CPI

### INDIA NEWSWIRE

1. In an interview, Corporate Affairs Secretary Injeti Srinivas said that there is an "imminent crisis" in the NBFC sector as misadventures by some large entities and credit squeeze present a perfect recipe for disaster.

### FX VIEW

Last Friday, the reaction of the financial market was perplexing. US imposed 25% tariffs on Chinese but financial markets did not react. EM currencies depreciated somewhat, but not enough to push Dollar Rupee beyond the key technical level of 70.10 on spot. US stock markets closed in the green on Friday. Brent crude futures too held above 70 handle for the front month. Chinese and US trade negotiators continue to talk and that may be the reason why market remains hopeful.

In the morning today, Asian stock markets are bleeding due to weakness in Chinese shares and Chinese currency. Even the US stock futures are down nearly 1%. In such an environment, JPY and USD should do well against EM currencies, due to demand for funding currencies. Back home, focus remains on the ongoing Lok Sabha elections. Six phases of the seven phase polls concluded with 59 seats out of 543 left to be polled. Results will be declared on 23rd May. All eyes will be on the exit poll surveys to be released on 19th evening. The bet is between a weak NDA or a strong BJP led NDA. Shocker will be a hung Parliament. Till the election results are out, there are no dominant drivers of USDINR. Therefore, USDINR may remain choppy. However, if the global risk aversion intensifies, then USDINR can inch towards 70.50 and even 71.00 levels. Having said, one should be careful of sharp two way swings, as volumes remain thin in the market.

Over this week in majors, in Euro, traders will be watching the release of ZEW. German ZEW economic sentiment index, which is a forward-looking indicator that measures sentiment among 350 German institutional investors. Over the past couple of weeks, some of the economic data has been better than expected, raising hopes for a continued improvement in ZEW as well. In the April reading, index rose into positive territory, registering at 4.5, after a 10 month period in which the index remained below zero. A strong reading is needed to sustain the gains in the Euro against USD and GBP, or else a retracement can be seen. Another key release for the Euro could be industrial production data which is forecast to show a decline of -0.3% month-on-month in March.

In GBP, the key data to watch will be the jobs report for April. UK job market has held up well, with jobs rising steadily, unemployment rate low and wage growth impressive. A strong show in April would be needed to help GBP gain ground against major currencies: Euro, USD and INR.

From the US economy, April retail sales data will be watched. Sales are expected to grow 0.2% in April, down from 1.6% in March. Apart from retail sales, traders will also watching the release of April industrial production and housing starts. IP is expected to clock no growth but housing starts are expected to show 6.2% rise.

### TECHNICAL VIEW & RUPEE CROSSES:

USDINR remains capped around 70.10 on spot. If the pair manages the break the resistance convincingly, then it can aim for 70.40 and beyond that, around 70.90/71.00 levels. Nevertheless, a failure to sustain above 70.00, can invite sellers to push the pair back towards 69.60/70 levels on spot. During periods of risk aversion, one can play long on JPYINR and EURINR, as they would be high beta currency pairs.

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Source: Bloomberg

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