

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	71.75	-0.60%	2.6%	11%
EUR/INR	83.94	0.35%	5.0%	9%
GBP/INR	94.14	-0.02%	5.2%	9%
JPY/INR	64.16	-0.95%	1.9%	10%
EUR/USD	1.1697	0.06%	3.1%	-2%
GBP/USD	1.3122	0.11%	3.1%	-2%
USD/JPY	111.83	-0.08%	0.6%	1%
USD/CNH	6.8488	0.05%	-0.7%	4%
10 YR YIELD- IN	8.10	(0.03)	0.29	1.51
10 YR YIELD- USA	2.97	(0.00)	0.07	0.78
GOLD (\$/Oz)	1,205	0.3%	1%	-9%
SILVER (\$/Oz)	14.24	0.5%	-5%	-20%
BRENT CRUDE (\$/Brl)	78.21	0.0%	8%	41%
COPPER 3M (\$/Ton)	6033	0.6%	-2%	-8%
NIFTY	11370	0.00%	0.12%	13%
HANGSENG	27190	0.65%	-2.03%	-2%
S&P 500	2904	0.53%	2.26%	16%
INR 1M FWD	0.28	(0.01)	0.02	0.04
INR 2M FWD	0.59	0.00	0.08	0.11
INR 3M FWD	0.84	0.01	0.08	0.15
INR 6M FWD	1.63	0.02	0.09	0.25
INR 12M FWD	3.21	(0.02)	0.20	0.43
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(193)	(40)	(110)	(731)
FII INVESTMENT- DEBT (\$ Mn)	12	(721)	(261)	(6,370)
TOTAL- (\$ Mn)	(181)	(760)	(370)	(7,101)

CURRENCY	ECONOMIC EVENT
GBP	BOE Gov Carney Speaks
USD	Retail Sales & Prelim UoM Consumer Sentiment

INDIA NEWSWIRE

1. A tweet by Union Commerce and Industry Minister Suresh Prabhu revealing that India's merchandise exports grew 19.21 per cent in August, two days before the official release date of the trade data.

WORLD NEWSWIRE

1. China statistical bureau spokesman dropped strong hints on more stimulus to come. He said that, slowing trend in infrastructure investment will be halted in coming months.
2. China's fixed asset investment growth slowed to 5.3% but retail sales beat expectations at 9%. IIP @ 6.1%.

FX VIEW

While onshore market for Rupee was shut yesterday but in the offshore, traders sold the pair down to 71.50 levels on a spot reference basis. First up it was the massive 625 bps of hike in interest rates in Turkey. It helped Turkish Lira to appreciate by over 2% against USD. At the same time, CNH too rallied by over a percent on the back of comments from Chinese officials that trade talks between US and China will resume. Dollar came under pressure across all currencies, even majors, viz., Euro, GBP gained ground. Oil prices sold-off from above 80 levels to 78 handle on the back of comments from IEA that volatility in Emerging market can adversely impact demand for oil. All in all it was a positive day for Rupee.

Today, we expect a follow through in the selling of Green back, at least during the open. As a result, USDINR may open lower, around 71.70 on spot. Cues from the equity market is quite positive with Asian equities following up on the higher close in US equity indices. Rally from 70 to near 73 has been non-stop and hence there are no major cluster points which can reverse their roles from resistance to support for the pair. We can look at levels based on Fibonacci ratios and they are 71.10/20 and 70.20/40 region. The bigger question remains, will the longs in dollar panic ahead of the alleged weekend meeting at the PMO. Or will they consider that as mere smokescreen. If the global mood stays upbeat and Oil prices continue the trek down, then the corrective decline can continue for the day. Having said that, traders needs to be alert to any signs of a bottoming out in the price correction. Therefore, be alert and be agile.

On global front, yesterday, US inflation was weaker than anticipated, both core and headline disappointed. A weak inflation print weighed on the Dollar. At the same time, upbeat growth and inflation outlook from ECB pushed the Euro towards 1.17 handle. GBP continues to benefit from the optimistic news flow on Brexit. For GBP, more than economic data or central bank comments, Brexit will be the trend decider. We are the final stage of negotiations and traders need to keep their eyes peeled on the news board.

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, we would look for buying opportunities closer to 91.00/92.00 zone for tactical longs. JPYINR is a buy around 62.50.

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