

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	69.24	0.12%	0.2%	5%
EUR/INR	78.32	0.02%	0.1%	-3%
GBP/INR	90.66	0.13%	-1.1%	-3%
JPY/INR	61.86	0.08%	-0.4%	1%
EUR/USD	1.1311	0.11%	-0.1%	-9%
GBP/USD	1.3094	0.15%	-1.5%	-9%
USD/JPY	111.93	-0.08%	0.4%	4%
USD/CNH	6.7113	0.04%	0.0%	7%
10 YR YIELD- IN	7.41	0.01	0.07	(0.02)
10 YR YIELD- USA	2.55	(0.01)	(0.03)	(0.27)
GOLD (\$/Oz)	1,289	-0.1%	-1%	-4%
SILVER (\$/Oz)	14.97	0.0%	-2%	-10%
BRENT CRUDE (\$/Brl)	71.44	-0.2%	6%	-2%
COPPER 3M (\$/Ton)	6484	1.2%	0%	-5%
NIFTY	11669	0.22%	2.12%	11%
HANGSENG	30064	0.52%	3.63%	-2%
S&P 500	2907	0.66%	3.01%	9%
INR 1M FWD	0.31	(0.01)	0.03	0.08
INR 2M FWD	0.60	0.00	0.09	0.14
INR 3M FWD	0.85	(0.03)	0.09	0.19
INR 6M FWD	1.59	(0.05)	0.15	0.31
INR 12M FWD	2.94	(0.08)	0.23	0.48
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	147	541	541	8,767
FII INVESTMENT- DEBT (\$ Mn)	(119)	(1,048)	(1,048)	221
TOTAL- (\$ Mn)	28	(507)	(507)	8,988

### CURRENCY ECONOMIC DATA

USD

Empire State Manufacturing Index

### WORLD NEWSWIRE

1. Calling it a “delicate year” for the global economy, the International Monetary Fund (IMF), in its ‘World Economic Outlook’, has warned against three key risks — growing inequality, weak investment, and rising protectionism in trade.

### FX VIEW

The news flow from the auto sector, two and four wheeler continues to remain sombre. If media reports are anything to go by then Hondo Motorcycle and Scooter India Pvt Limited has implemented a 15%-20% cut in June quarter two wheeler output, due to weak demand and a squeeze on automobile financing. This is sharpest cut in their output in 18 years. These are all signs of slowdown in the household consumption. Local stocks have not paid much attention to these developments and hence FPI flows are not yet affected. If flows do not reverse, INR would not react as well.

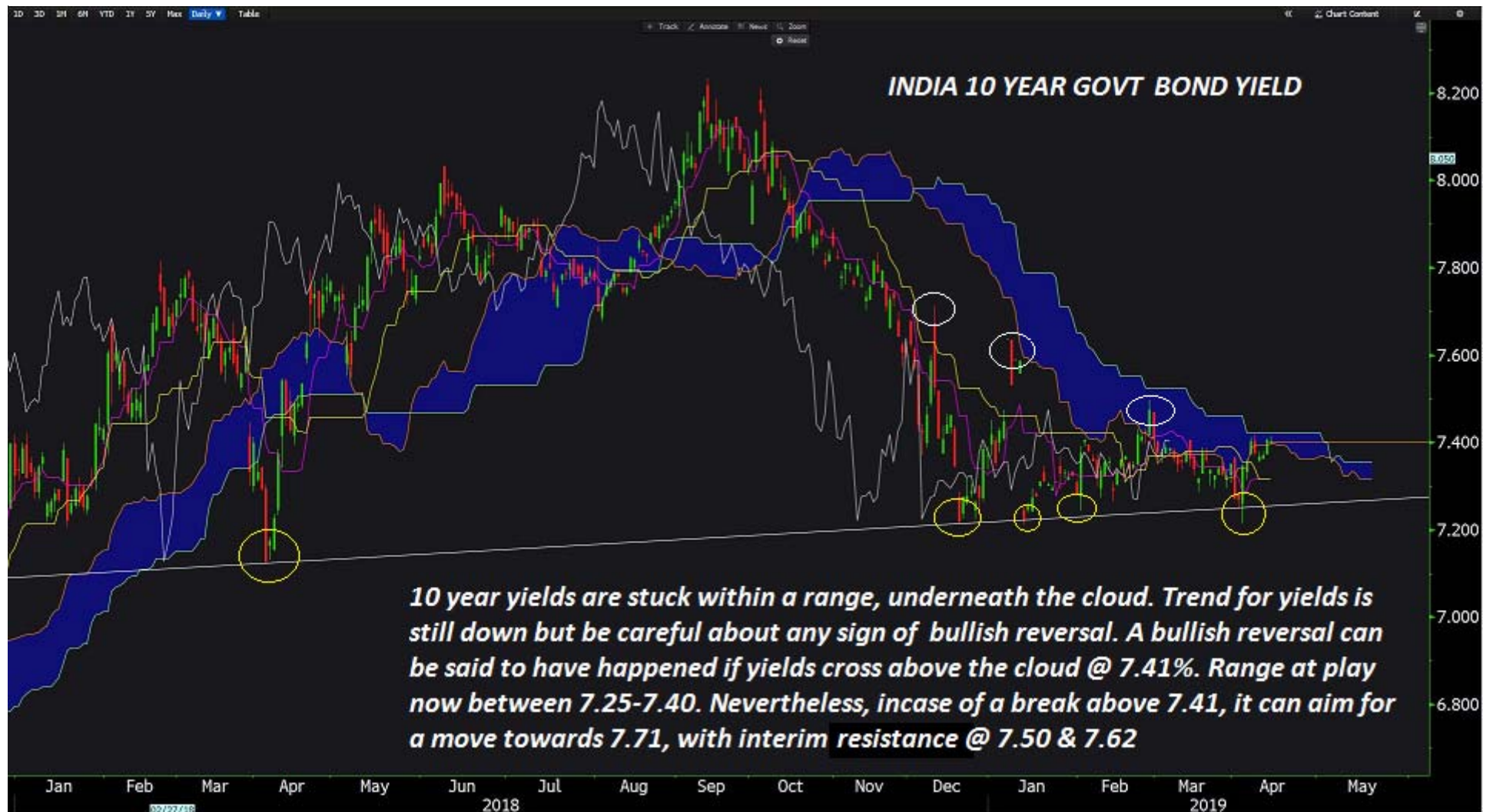
This week, second phase of Lok Sabha polls is scheduled this week. It is also holiday truncated week, with Wednesday and Friday are when the currency segment of Indian exchanges will be shut for trading. With lack of triggers for USDINR to exhibit any trend, we expect choppy market conditions this week. Traders can even look at selling USDINR options to earn the time value. A typical strategy would be to sell an options strangle or an option straddle, expiring this week. Futures traders, need to wait for a decline towards 69.00 to buy, with stop below 68.80 levels on spot. At the same time, spike towards 69.50/70 zone can be sold into with stop above 69.80 on spot reference.

Majors will be driven by economic data release and general risk appetite in financial markets. First up the US Dollar. US economy has some key economic releases scheduled for this week. Regional Fed surveys like The Empire State manufacturing index is forecast to come out at a higher 8.1 in April from the 3.7 in the previous month. The Philly Fed manufacturing index in April, which is forecast to show a slight decline to 11.2 from 13.7 previously. Again, a better-than-forecast result could support the Dollar if it forms part of a trend. April PMIs are expected to show improvement in April. It will be followed by retail sales for March, which is expected to show a rise of 0.9% m-o-m . From Eurozone, investor sentiment surveys like ZEW will be keenly watched, followed by the flash PMI surveys for March. Though the German ZEW is expected to show an uptick back into positive zone but Eurozone ZEW is expected to continue to decline deep in the negative territory. Flash PMIs are all expected to show improvement. A strong economic data will offer Euro the necessary impetus to break above its month old range against the USD and GBP.

GBP traders have three key data to consider: UK employment report, inflation report and retail sales. With the deadline for exiting the EU now having been delayed Brexit will probably be less of a driving force for the Pound in the short-term. Bear in mind parliamentarians are also on their Easter break, therefore headlines should fade in frequency for this politically-charged currency. Therefore, a strong show on the data front can propel GBP higher against USD, Euro and even INR as well.

On majors and INR crosses, we remain buyers on decline in GBPUSD and GBPINR. On GBPUSD, we would maintain stop below 1.2950 and on GBPINR, our stop will be below 89.00 on spot reference. These stops are keeping in view the bullish positional bias in these currency pairs.

\*\*\* CHART ON NEXT PAGE\*\*\*



Source: Bloomberg

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