

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	70.25	-0.30%	1.2%	3%
EUR/INR	78.73	-0.49%	0.3%	-3%
GBP/INR	90.69	-0.57%	-0.4%	-2%
JPY/INR	64.07	-0.20%	3.4%	4%
EUR/USD	1.1205	0.01%	-0.9%	-5%
GBP/USD	1.2910	0.04%	-1.5%	-4%
USD/JPY	109.65	0.04%	-2.2%	-1%
USD/CNH	6.9010	-0.04%	2.8%	8%
10 YR YIELD- IN	7.37	(0.01)	(0.02)	(0.54)
10 YR YIELD- USA	2.41	(0.00)	(0.15)	(0.66)
GOLD (\$/Oz)	1,295	-0.1%	1%	0%
SILVER (\$/Oz)	14.79	0.0%	-1%	-9%
BRENT CRUDE (\$/Brl)	71.01	-0.3%	0%	-9%
COPPER 3M (\$/Ton)	6027	0.3%	-7%	-12%
NIFTY	11245	0.21%	-3.81%	4%
HANGSENG	28326	0.73%	-4.98%	-9%
S&P 500	2834	0.80%	-2.45%	5%
INR 1M FWD	0.26	(0.01)	(0.06)	0.03
INR 2M FWD	0.52	0.00	(0.06)	0.07
INR 3M FWD	0.79	0.01	(0.04)	0.10
INR 6M FWD	1.51	(0.02)	(0.04)	0.14
INR 12M FWD	2.96	(0.02)	0.09	0.23
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	(136)	12	1,553	9,780
FII INVESTMENT- DEBT (\$ Mn)	(28)	(616)	(2,186)	(917)
TOTAL- (\$ Mn)	(163)	(603)	(632)	8,863

CURRENCY	ECONOMIC DATA
EUR	German Prelim GDP
USD	Retail Sales

### INDIA NEWSWIRE

1. The monsoon is likely to hit Kerala on June 4, three days later than the normal onset date, with an error margin of plus/minus two days, private weather forecaster Skymet. All the four regions are going to witness lesser-than-normal rainfall this season. East and North-East India and the Central parts will be poorer than North-West India and the South Peninsula.
2. The income-tax (I-T) department on Tuesday put off for the second time the requirement for companies and professionals to include in their tax audit report the details of GST and the General Anti-Avoidance Rules

### WORLD NEWSWIRE

1. In UK, the fall in pay growth to 3.3% on the year in the three months to March, from 3.5% in the three months to February, also came as the buoyant labour market recorded a rise in employment to a new high of 32.7 million.
2. Expectations for Germany's medium-term economic development worsened in May. The Zew indicator of economic sentiment fell to minus 2.1 points this month, down from 3.1 in the previous month, first negative reading since October 2018.

### FX VIEW

Yesterday the ascent stalled in the local pair, USDINR. It can be due to aggressive intervention from RBI and also some corporate flows. Global stock markets recovered, ignoring the sell-off in the Chinese-Hong Kong markets. Crude oil too jumped from 70.50 to 71.50 on Brent, as media circulated report of attack on Saudi tankers. Since then oil cooled off to under 71 now. USDINR closed around 70.45 on spot.

In Asia today, stocks are trading marginally higher and so are the S&P futures. Majors are mostly flat against USD and as a result, USDINR may open around 70.41 levels on spot. Focus remains on three factors this week:

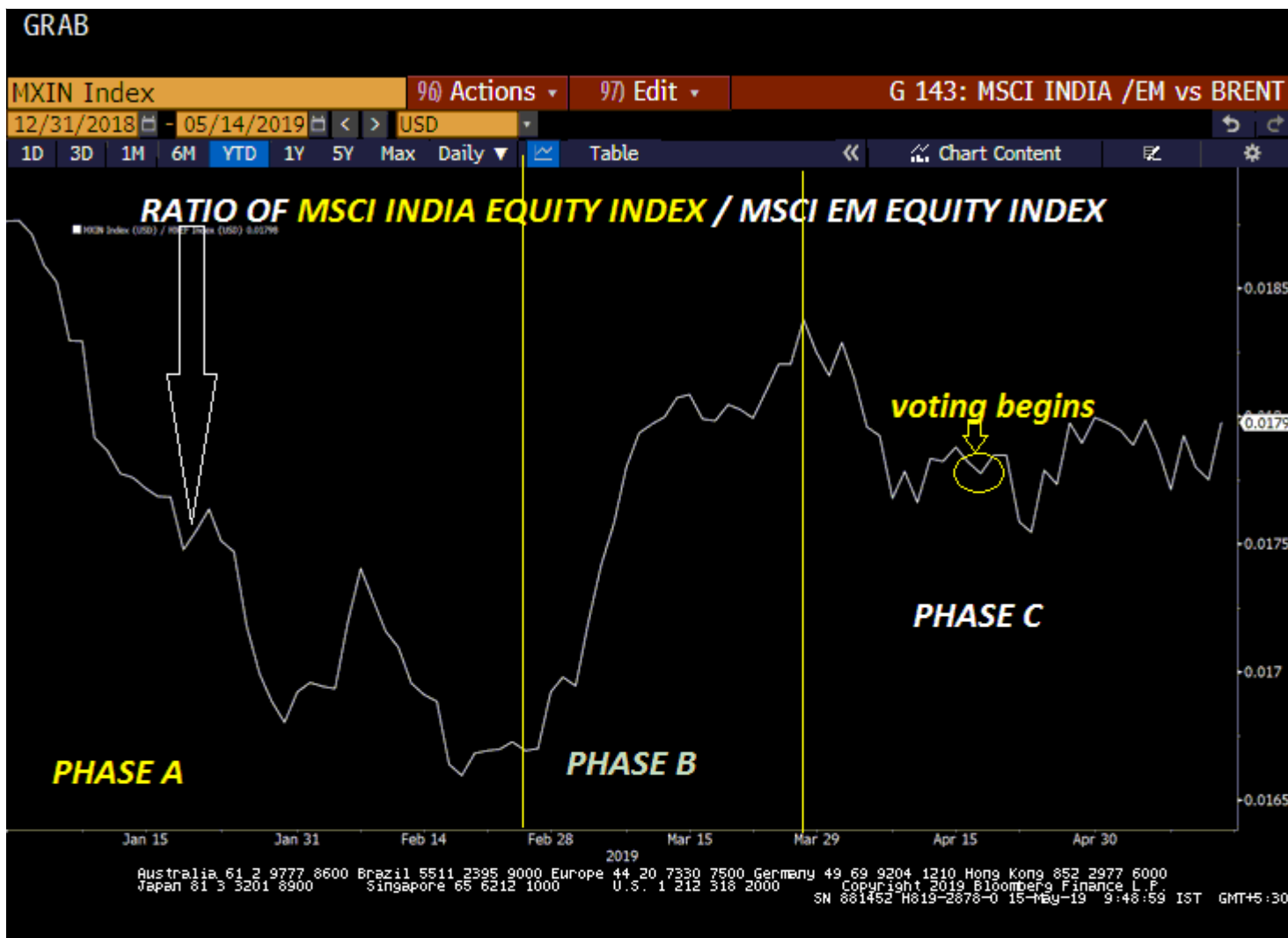
- Election exit polls
- US-China trade talks
- US' decision on tariffs on automobile imports from EU and Japan

At the end of this week, President Trump will turn his focus to Europe. After announcing fresh tariffs on China, Trump said he would make a decision on auto tariffs by May 18. Europe's \$50B car industry is at risk if Trump decides to impose new duties. Three months ago Trump was handed a report by the Commerce Department that would justify tariffs on the grounds of national security. That triggered a 90-day deadline for Trump to make a decision. He could extend the deadline, which is what Europeans hope and investors expect but he could also slap Europe with tariffs of up to 25% on imported cars and parts. If US slaps tariffs on EU, it can knock the European stocks as well as Euro currency hard. Keep an eye on that. At same time, it can feed the global contagion.

### TECHNICAL VIEW & RUPEE CROSSES:

Bias remains bullish on USDINR, as long as it holds 70.10 on spot. Next major resistance zone is around 70.90/71.00 levels, which may not be easily breached. Hence, a range of 70.00 and 71.00 may unfold over this week.

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



**PHASE A:** Rising oil prices caused Indian stocks underperform EM equity

**PHASE B:** Post-Balakot, changed the political dynamics. FII flows surged. Even on the face of rising oil prices, Indian equity outperformed EM equity in March

**Phase C:** Lok Sabha elections begin. Indian stocks moved in line with EM. Sell-off in stocks since mid-April was an EM wide phenomenon. Stock markets are still betting on a stable govt post LS election.

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