

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	69.56	0.21%	1.5%	6%
EUR/INR	78.63	0.13%	1.0%	-3%
GBP/INR	91.08	0.07%	0.2%	-3%
JPY/INR	62.13	0.34%	0.9%	2%
EUR/USD	1.1303	-0.01%	-0.3%	-9%
GBP/USD	1.3090	-0.08%	-1.2%	-9%
USD/JPY	111.94	-0.09%	0.5%	4%
USD/CNH	6.7105	0.04%	-0.2%	7%
10 YR YIELD- IN	7.39	(0.00)	0.05	(0.10)
10 YR YIELD- USA	2.55	(0.01)	(0.04)	(0.28)
GOLD (\$/Oz)	1,285	-0.2%	-1%	-5%
SILVER (\$/Oz)	14.96	-0.3%	-3%	-10%
BRENT CRUDE (\$/Brl)	70.98	-0.3%	6%	-1%
COPPER 3M (\$/Ton)	6480	-0.1%	1%	-5%
NIFTY	11761	0.61%	2.93%	12%
HANGSENG	29999	0.63%	3.40%	-1%
S&P 500	2906	-0.06%	2.94%	9%
INR 1M FWD	0.31	(0.01)	0.02	0.08
INR 2M FWD	0.59	0.01	0.09	0.13
INR 3M FWD	0.81	(0.01)	0.08	0.16
INR 6M FWD	1.53	(0.02)	0.20	0.23
INR 12M FWD	2.86	(0.01)	0.38	0.34
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	87	629	629	8,855
FII INVESTMENT- DEBT (\$ Mn)	(154)	(1,202)	(1,202)	67
TOTAL- (\$ Mn)	(66)	(573)	(573)	8,922

CURRENCY	ECONOMIC DATA
GBP	Employment Report
EUR	ZEW

### INDIA NEWSWIRE

- Exports of goods in 2018-19 registered a 9.06 per cent growth to hit a new high of \$331 billion, surpassing the previous peak of \$314 billion clocked in 2013-14. Trade deficit in 2018-19 increased to \$176.42 billion, compared to \$162.05 billion in the previous year

### FX VIEW

Spotlight shifted from the politician to the weatherman. IMD tried to sugar coat a not so rosy forecast for Monsoon this year. The Indian Meteorological Department forecasted that the southwest monsoon would be at 96% of Long Period Average with a model error of (+/-)5%. Quantitatively, the IMD has overestimated the monsoon outcome over the past five years. The IMD has ascribed 39% probability of normal monsoon, 32% probability of below-normal monsoon, and 17% probability of deficient monsoon in FY2020. Skymet, an independent agency, has forecast monsoon at 93% of LPA with probabilities of 30% of normal rainfall, 55% of below-normal rainfall, and 15% of drought. Weak El Nino conditions are persisting.

### What is EL Nino, MJO and IOD ?

Ans: It is an abnormal weather pattern caused by the warming of the Pacific Ocean near the equator, off the coast of South America. During El Niño, trade winds weaken, or even reverse, which may adversely affect the performance of Monsoon rains in the sub-continent. There are other factors which can amplify or negate the impact of EL Nino on Monsoon. They are Indian Ocean Dipole, also known as the Indian Nino, which deals with warming or cooling of water off the coast of Africa. Along with that another major factor that can impact Monsoon is the phenomenon of Madden-Julian Oscillation, which occurs in a 30-60 day cycle in the Indian Ocean. These are three major factors which can either strengthen or weaken a Monsoon in India, apart from many other factors.

The Australian Meteorological Bureau expects 70% chances of El Nino conditions developing in 2019. IMD has said that they expect EL Nino conditions to reduce the thrust of Monsoon rains during June but is expected to pick up pace due to favourable IOD and weakening of El Nino during the latter phase. Monsoon is critical for the fortunes of rural India. Rural distress has been a mutli-year phenomenon due to low crop prices globally and domestically too and bumper harvest. If Monsoon is sub-par in 2019, it can aggravate the distress and hit household consumption even more.

Overnight in the global markets, there were no major moves. US stocks closed marginally in the red. Asian indices are trading in the green. Asian currencies are trading mostly flat. Yesterday, Rupee was the weakest currency in Asia due to corporate outflows. Today, we can see some kneejerk depreciation on the back of IMD forecast. However, upside in USDINR appears capped closer to 69.60/70 zone on spot reference. Support between 69.00/69.20 levels on spot reference. Intra-day movements are random and expected to be so for the next two trading sessions.

On majors, GBP will react to the February payroll data, which is expected to come in strong. We are buyers on dips in GBPUSD with stop below 1.2950. On GBPINR, our stop will be below 89.00 for longs on decline. For Euro traders, German and Eurozone ZEW will be watched. EURUSD is caught between 1.1180 and 1.1400.

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



Source: Bloomberg

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