

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	71.44	0.24%	3.8%	2%
EUR/INR	79.31	-0.41%	2.7%	-1%
GBP/INR	86.36	0.07%	1.1%	-3%
JPY/INR	67.20	0.01%	5.6%	6%
EUR/USD	1.1102	-0.05%	-1.0%	-2%
GBP/USD	1.2088	0.00%	-2.6%	-5%
USD/JPY	106.21	0.08%	-1.9%	-4%
USD/CNH	7.05	0.05%	2.4%	3%
10 YR YIELD- IN	6.60	(0.03)	0.27	(1.26)
10 YR YIELD- USA	1.54	0.01	(0.56)	(1.33)
GOLD (\$/Oz)	1,521	-0.2%	8%	30%
SILVER (\$/Oz)	17.22	-0.2%	11%	18%
BRENT CRUDE (\$/Brl)	58.76	0.9%	-9%	-18%
COPPER 3M (\$/Ton)	5751	-0.2%	-4%	-1%
NIFTY	10954	-0.7%	-5.5%	-4.2%
HANGSENG	25687	0.8%	-10.2%	-5.2%
S&P 500	2848	0.2%	-5.2%	0.2%
INR 1M FWD	0.23	0.00	0.00	(0.03)
INR 3M FWD	0.70	(0.01)	0.00	(0.05)
INR 12M FWD	2.94	0.02	(0.19)	(0.05)
USDINR 1 MONTH ATM IV	7.07	(0.14)	2.23	(0.30)
USDINR 3 MONTH ATM IV	6.96	(0.11)	1.85	(0.24)
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(79)	(1,564)	(3,499)	7,840
II INVESTMENT- DEBT (\$ Mr)	(54)	110	1,335	2,764
TOTAL- (\$ Mn)	(133)	(1,455)	(2,163)	10,604

CURRENCY	ECONOMIC DATA
USD	Prelim UoM Consumer Sentiment

TECHNICAL VIEW

Currency pair ==> USDINR spot

View = Intermediate trend remains UPWARD above 70.50 on spot. It may target 72.50.

Trade = Buy on decline between 71.00/71.20, stop below 70.80 on spot basis. Target 71.80 and 72.00 levels on spot basis.

Currency pair ==> EURUSD spot

View = Intermediate trend remains bearish.

Trade = Sell on rise between 1.1130/1.1150, stop above 1.1180, target 1.1070/50.

MACRO VIEW

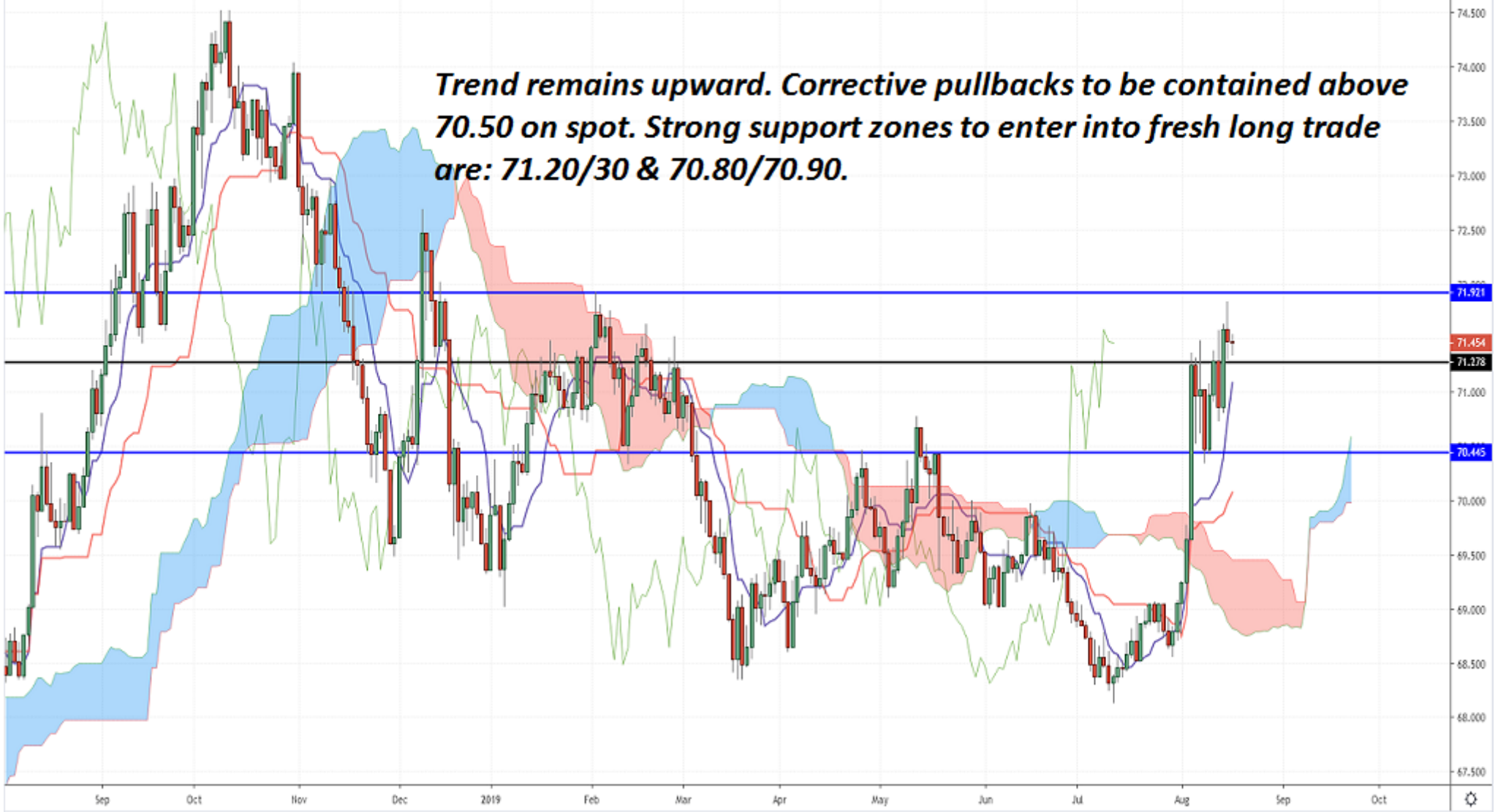
- 1) Yesterday onshore market was shut but offshore was buzzing with activity in the USDINR derivatives. USDINR traded as high as 71.60 on spot reference on the back of weakness in CNH and continuing weakness in global equity markets.
- 2) Overnight US stocks closed in the green after weakness during the mid-day. On Wednesday major indices in US had slumped 3% on the back of fears that inversion in the US yield curve is portending a recession in the near future. Yesterday, the recovery probably occurred after the economic releases from US economy all came in much stronger than expected. US retail gain, Walmart reported better-than-expected earnings and raised its outlook for the full year, sending its stock 6.1% higher Thursday. S&P500 remains vulnerable to further as long as it continues to hold below 2960 levels. US 10 year yields are now trading at 1.50%, which is a 3 year low and the 30 year yield has plunged to a life time low below 2%, at 1.96%. With the 30 year yields just 6 bps away from 3 month T-Bill rate, a further flattening at the long end can cause the entire curve to invert, which historically has not happened without a recession occurring in the near future.
- 3) Brent crude oil prices have declined by 5% over the past two trading session, currently at 58 handle. Gold prices continued to gain ground now at \$ 1521 per troy ounce.
- 4) Brent crude oil prices rallied by more than 4%, thanks to the risk on mood in financial markets. Brent crude is now quoting 61 dollars a barrel. Gold prices declined due to the rally in Dollar as spot Gold was last quoted at 1510 dollars an ounce.
- 5) Asian stocks are trading in the green with Hangseng and Shanghai indices leading the pack. However, Australian indices and KOSPI are trading in the red. A mixed picture. SGX is showing a probable 100 point cut at the open. However, Nifty remains well supported around 10,800, which if broken can be bearish not just for the stocks but for Rupee too. Asian
- 6) Asian currencies are marginally weaker with USDCNH having bounced from the key breakout level of 6.99/7.00 is now poised to move towards 7.20 levels, which is bearish Asia ex-Japan against USD. USDINR in the NDF is quoting at 71.50 on spot reference.
- 7) Overnight US economic data came in quite strong. Retail sales rose 0.7% easily beating the 0.3% forecast. The Empire State and Philadelphia Fed surveys also beat expectations, reflecting recovery in manufacturing activity. From UK too, retail sales data was a beat as it rose 3.3%. However, Brexit remains the focus and that can continue to undermine some positive data from UK.

*** CHART ON NEXT PAGE ***

U.S. Dollar / Indian Rupee - 1D - OANDA 071.464 H71.530 L71.334 C71.454 -0.010 (-0.01%)
EMA (110, close) 71.090 70.078 71.454 68.822 69.450
Ichimoku (9, 26, 52, 26)

DOLLAR RUPEE DAILY- OFFSHORE SPOT

Trend remains upward. Corrective pullbacks to be contained above 70.50 on spot. Strong support zones to enter into fresh long trade are: 71.20/30 & 70.80/70.90.



Source: TradingView

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