

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	70.19	0.22%	0.8%	4%
EUR/INR	78.47	-0.01%	-0.3%	-2%
GBP/INR	89.79	0.04%	-1.2%	-2%
JPY/INR	63.97	0.34%	2.9%	4%
EUR/USD	1.1178	0.04%	-1.0%	-5%
GBP/USD	1.2791	-0.05%	-1.9%	-5%
USD/JPY	109.72	-0.12%	-2.1%	-1%
USD/CNH	6.9407	0.17%	3.8%	8%
10 YR YIELD- IN	7.38	0.01	(0.01)	(0.50)
10 YR YIELD- USA	2.39	(0.01)	(0.21)	(0.73)
GOLD (\$/Oz)	1,287	0.0%	1%	0%
SILVER (\$/Oz)	14.54	-0.1%	-3%	-11%
BRENT CRUDE (\$/Brl)	72.85	0.3%	2%	-8%
COPPER 3M (\$/Ton)	6100	0.2%	-6%	-11%
NIFTY	11305	0.42%	-4.09%	6%
HANGSENG	28057	-0.77%	-6.86%	-9%
S&P 500	2876	0.89%	-0.83%	6%
INR 1M FWD	0.26	0.00	(0.03)	0.04
INR 2M FWD	0.53	(0.00)	(0.04)	0.07
INR 3M FWD	0.78	0.00	(0.01)	0.11
INR 6M FWD	1.54	0.01	0.03	0.16
INR 12M FWD	3.04	0.03	0.19	0.33
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	(149)	(415)	1,126	9,352
FII INVESTMENT- DEBT (\$ Mn)	364	(95)	(1,665)	(396)
TOTAL- (\$ Mn)	215	(510)	(539)	8,956

CURRENCY	ECONOMIC DATA
USD	Prelim UoM Consumer Sentiment

### INDIA NEWSWIRE

1. With crisis engulfing the non-banking financial company (NBFC) sector, RBI on asked finance companies with asset size more than Rs 5,000 crore to appoint a chief risk officer, who will function 'independently to ensure the highest standards of risk management'.

### WORLD NEWSWIRE

1. Fed member Brainard said that trade conflict is creating uncertainty and now is a bad time to weaken rules on big banks. He added that underlying inflation is below 2% goal and it may be helpful in letting inflation just above 2%. He added that employment & inflation relation is broken down & Fed should target each separately.
2. China signalled a lack of interest in resuming trade talks with the U.S. under the current threat to escalate tariffs, while the government said stimulus will be stepped up to buttress the domestic economy.

### FX VIEW

When an anchoring theme is missing, USDINR tend to move erratically. A breakout above 70.10, had the potential to launch this pair right towards 71.00, above which an uptrend would have been confirmed. Instead of testing the resistance close to 71.00, it turned back from just above 70.60 on spot and came crashing down below 70.10 and closed just above 70.00 levels. There were little or no triggers from the EM space. A close below 70.10 opened the door for a test of 69.60/80 on spot, a failed breakout means upcoming bear wrath. Interestingly, NDF today is showing a probable open around 70.20 on spot. Yes one can point to Brent, above 73 handle and USDCNH close to 6.93 as probable causes, but the bigger question remains, will this glue stick intra-day, or will USDINR, like yesterday, slide towards 70.00 and then some more? Wait and see.

Overnight, US stock markets closed with a nearly a percent gains. Dollar was strong against majors. Today, Asian stocks are mixed, with non-China stocks rising but Chinese equities feeling the heat. Turkish currency tumbled after US terminated preferential trade agreement in retaliation for Turkey purchasing advanced Russian S-400 missile defence system. It once again proves that US remains intolerant of any nation who fails to comply with its demands. The list of countries who have been penalised for various kinds of intransigence keeps growing every month.

In economic data, the Philadelphia Fed manufacturing index in May rose to a four-month high of 16.6 after registering 8.5 in April. However, the components moved in opposite directions, with the shipments index rising while the new-orders index declined. The index for inventories fell into negative territory, suggesting an unwinding of stockpiles. In other news, U.S. home building increased more than expected in April and activity in the prior month was stronger than consensus. Housing starts rose 5.7%. Two better than expected data helped the USD as well the USD bond yields to rise.

### TECHNICAL VIEW & RUPEE CROSSES:

Today there are no major economic data from the majors. Trend in USDINR would be dictated by corporate flows. We would be buyers on decline as oil is higher and CNH is weaker. However, we would maintain a stop on an hourly closing basis, below 69.95 on spot. Target would remain 70.40/45 levels.

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



Source: Bloomberg

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