

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	72.80	-0.24%	4.1%	12%
EUR/INR	84.94	-0.32%	6.1%	9%
GBP/INR	95.75	-0.08%	6.9%	9%
JPY/INR	64.79	-0.23%	2.6%	11%
EUR/USD	1.1671	0.03%	1.6%	-3%
GBP/USD	1.3151	0.02%	2.8%	-3%
USD/JPY	112.36	0.00%	2.0%	1%
USD/CNH	6.8553	-0.09%	0.3%	4%
10 YR YIELD- IN	8.13	(0.01)	0.27	1.54
10 YR YIELD- USA	3.05	(0.01)	0.19	0.81
GOLD (\$/Oz)	1,200	0.2%	1%	-8%
SILVER (\$/Oz)	14.18	0.2%	-4%	-18%
BRENT CRUDE (\$/Brl)	79.02	0.0%	10%	43%
COPPER 3M (\$/Ton)	6086	2.4%	3%	-7%
NIFTY	11279	-0.87%	-1.67%	11%
HANGSENG	27403	1.18%	0.70%	-2%
S&P 500	2904	0.54%	1.90%	16%
INR 1M FWD	0.29	0.01	0.02	0.04
INR 2M FWD	0.62	0.00	0.11	0.16
INR 3M FWD	0.85	0.02	0.06	0.17
INR 6M FWD	1.66	0.05	0.13	0.29
INR 12M FWD	3.30	0.06	0.31	0.55 X
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	13	(80)	(150)	(771)
FII INVESTMENT- DEBT (\$ Mn)	(103)	(833)	(373)	(6,482)
TOTAL- (\$ Mn)	(90)	(913)	(523)	(7,253)

CURRENCY	ECONOMIC EVENT
UK	CPI & RPI
USD	Housing Starts

### INDIA NEWSWIRE

- According to media reports, government is set to hike the import duty on gold to 12-13 per cent from 10 per cent to reduce the gold imports and shore up government revenues.

### WORLD NEWSWIRE

- South Korean President Moon Jae-in and North Korean leader Kim Jong-un held summit talks in Pyongyang. At their conclusion they signed an agreement. Also, North Korea vowed to shutter nuclear sites if U.S. meets conditions.

### FX VIEW

Rupee closes at a fresh all time low against the Dollar yesterday at 72.96 on spot. Usual suspects, weakness in Yuan, EMFX and oil caused the sharp slide in the local unit. Sell-off in domestic equity and Bond prices added to the pressure. Trade war continues to rage on and on top of that US President has accused China of meddling in the upcoming US midterm polls by targeting American farmers and workers. It is clear that over the next few weeks before the polls, both measures and rhetoric will heat up from US administration. We expect China to play sensibly and not match punch for punch now. Their best hope is that post midterm polls, President Trump's mellows down. Whether that will happen or not, time will tell.

Back home, last night SEBI announced slew of measures to simplify KYC norms for FPIs as well as a number of measures were announced to deepen participation of domestic investors as well as foreign investors in Indian commodity and financial markets. Indian policymakers, RBI, SEBI and government, till now, have shown maturity and sense in their approach. They have not panicked due to market volatility. Kept on focussing on structural reforms, rather than quick fix reactions. We hope it continues as more volatility in Rupee and financial markets can increase pressure on policymakers to commit hara-kiri.

In global news, US yield curve continues to bear flatten with US 10 year at 3.05%. We expect Indian bond yields to follow suit. Higher oil prices, weak Rupee and now rising UST yields can overshadow any announcements on fresh OMOs. At the same time, RBI will be sceptical to using the OMO tool too often to prop up bond prices, as it can add fuel to fire in the Rupee market.

In global news, EU Council is meeting today and tomorrow to chalk out the path forward on Brexit process. Recent comments seem to indicate that EU could be warming up to the UK's chequer proposal. If it is so, then it can be quite positive for GBP. Final outcome is expected before the end of the year. As a result, we expect speculators to keep covering their shorts, which should limit the decline in GBP, especially against Euro as well as INR and even JPY. On GBP/INR we remain bullish with a medium term Target of 100/101. Today traders will react to the UK CPI data for last month.

### TECHNICAL VIEW:

Tactical view on USD/INR remains upward. We would advise buying on decline with stops below 71.50 on a spot reference. Resistance remains around 73.00 and 73.50 on spot. Rupee is also expected to weaken against Euro and JPY as well.

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