

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	71.93	-0.07%	-2.2%	9%
EUR/INR	81.47	0.04%	-4.5%	6%
GBP/INR	92.11	0.10%	-5.5%	6%
JPY/INR	63.49	0.06%	-3.5%	9%
EUR/USD	1.1411	-0.04%	-0.9%	-3%
GBP/USD	1.2839	0.04%	-1.8%	-3%
USD/JPY	112.65	-0.16%	0.1%	0%
USD/CNH	6.9342	0.20%	0.0%	4%
10 YR YIELD- IN	7.82	0.06	(0.06)	0.75
10 YR YIELD- USA	3.06	0.00	(0.13)	0.72
GOLD (\$/Oz)	1,222	-0.2%	0%	-4%
SILVER (\$/Oz)	14.39	-0.2%	-2%	-15%
BRENT CRUDE (\$/Brl)	67.41	1.0%	-16%	7%
COPPER 3M (\$/Ton)	6205	0.3%	0%	-8%
NIFTY	10682	0.62%	3.67%	4%
HANGSENG	26259	0.29%	2.73%	-10%
S&P 500	2736	0.22%	-1.14%	6%
INR 1M FWD	0.25	0.00	(0.04)	0.01
INR 2M FWD	0.49	0.00	(0.08)	0.03
INR 3M FWD	0.71	0.01	(0.14)	(0.01)
INR 6M FWD	1.46	0.01	(0.17)	(0.03)
INR 12M FWD	2.93	0.03	(0.22)	0.09
	<b>1 DAY</b>	<b>MTD</b>	<b>QTD</b>	<b>CTD</b>
FII INVESTMENT- EQ (\$ Mn)	265	458	(3,295)	(5,300)
FII INVESTMENT- DEBT (\$ Mn)	52	741	(610)	(7,720)
TOTAL- (\$ Mn)	317	1,199	(3,905)	(13,021)

CURRENCY	ECONOMIC DATA
EUR	Eurogroup Meetings
USD	FOMC Member Williams Speaks

### INDIA NEWSWIRE

- On Monday, the Reserve Bank of India's (RBI) board is expected to take up several issues on which sharp differences exist between the government and the central bank. Three are reportedly of critical importance. First, the liquidity crunch facing the NBFCs. Second, the slowdown in credit to MSMEs and third, whether the RBI is holding on to excess capital on its balance sheet.
- In the first fortnight of November, NBFCs were able to issue CPs worth Rs 1.03 trillion as against debt of Rs 726.8 billion that was set to mature during this period,

### FX VIEW

Oil prices have found a floor as Brent rebounded from 64 dollars a barrel to 67.00 now. Option markers indicate that bulk of speculative long liquidation may have run its course in USDINR. Therefore, for USDINR to fall further, below 71.70 it requires a helping hand of the other currencies from EM sphere. Chinese currency, a leader in the EM pack is also unable to appreciate much against USD and that is not a positive development for the Rupee as well. There are media reports that Chinese corporates are facing increasing pressure on their bond redemptions, both on CNY bonds as well as on the Dollar bonds. It is estimated that over USD 750 billion of dollars denominated bonds are outstanding amongst the Chinese corporates and in local currency terms, the corporate indebtedness is significantly higher. Weak economy coupled with weak Yuan is straining corporate balance sheets in the country. Therefore for China, a reversal in the trend of Dollar overseas, would be a welcome. However, we need to monitor the USDCNH rate, as depreciation beyond 7 handle can cause panic in global markets.

It is going to be holiday truncated week in India. Therefore, volume can be lower than usual in the exchanges and movements in USDINR may be erratic. The only major event from domestic shores is the RBI board meeting. Generally a board meeting of the central bank is not an event traders pay much attention to. However, the ongoing spat between Gol and RBI coupled with media rumours of a possible heavy handed intervention from Gol on the powers of RBI has suddenly sparked interest of market on this event. Whatever be the outcome from the board meeting, one thing can be said is that, we would be surprised if Gol takes any measures which curtails the independence of RBI. Gol is sensible enough to understand the consequences of any such move. Therefore, the event may turn out to be a non-event but still it makes sense to be cautious. Post event IVs may come down further in USDINR options.

From global arena, all eyes will be glued on two major event, first up the possible no-confidence motion against UK PM and Italy-EU budget talks. If UK PM survives the challenge, then it can boost GBP but if she fails to survive, it can cause GBP to fall sharply against all pairs. Apart from these, there are a number of economic data releases from EZ, UK and US, which will impact the currencies.

### TECHNICAL VIEW & RUPEE CROSSES:

Intermediate to short term downtrend is intact in USDINR as long as it is trading below 73.00 on spot. Support is around 71.70 and 71.50 on spot. Resistance around 72.30 and 72.50 on spot. On majors, we are looking to buy the decline on EURUSD as long as it holds above 1.13 levels and on EURGBP buy on decline as long as it holds above 86 handle.

\*\*\* Please turn to the next page for the chart of the day \*\*\*

MONTH	USD/INR % CHANGE
Dec-02	0.67
Dec-03	-0.71
Dec-04	-0.32
Dec-05	-2.63
Dec-06	-1.91
Dec-07	-1.07
Dec-08	-0.47
Dec-09	-2.60
Dec-10	0.02
Dec-11	-2.57
Dec-12	1.64
Dec-13	1.33
Dec-14	-1.04
Dec-15	1.63
Dec-16	-0.77
Dec-17	-0.68
Dec-18	-0.91

↩ **Bihar elections**

**December has been a kind month for Rupee. It has appreciated 12/17 years. However, in 2015, during Bihar elections and China crises, Rupee depreciated by 1.5%. This december there is the state elections scheduled. It is going to be volatile than usual**

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