

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	71.20	-0.19%	-0.1%	9%
EUR/INR	80.79	-0.01%	-0.3%	1%
GBP/INR	92.99	0.91%	1.4%	3%
JPY/INR	64.30	-0.33%	-1.1%	6%
EUR/USD	1.1343	0.02%	-0.2%	-8%
GBP/USD	1.3060	-0.02%	1.3%	-7%
USD/JPY	110.77	0.13%	1.0%	3%
USD/CNH	6.7242	-0.32%	-1.1%	6%
10 YR YIELD- IN	7.34	(0.03)	0.03	(0.33)
10 YR YIELD- USA	2.64	0.00	(0.15)	(0.25)
GOLD (\$/Oz)	1,343	0.1%	5%	1%
SILVER (\$/Oz)	16.02	0.2%	5%	-3%
BRENT CRUDE (\$/Brl)	66.48	0.0%	6%	2%
COPPER 3M (\$/Ton)	6319	0.7%	4%	-11%
NIFTY	10676	0.67%	-2.12%	3%
HANGSENG	28416	0.66%	4.89%	-8%
S&P 500	2780	0.15%	4.08%	2%
INR 1M FWD	0.25	(0.01)	(0.02)	0.01
INR 2M FWD	0.53	(0.01)	0.05	(0.02)
INR 3M FWD	0.77	0.02	0.02	(0.00)
INR 6M FWD	1.49	0.00	0.04	0.03
INR 12M FWD	2.94	0.00	0.07	0.13
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(375)	(16)	(91)	(91)
FII INVESTMENT- DEBT (\$ Mn)	(93)	(110)	(477)	(477)
TOTAL- (\$ Mn)	(467)	(126)	(568)	(568)

CURRENCY	ECONOMIC DATA
GBP	CBI Industrial Order Expectations
EUR	Consumer Confidence

INDIA NEWSWIRE

- The Centre has widened the definition of start-ups and diluted the eligibility condition for Angel Tax exemption in a move aimed at addressing the taxation woes faced by such ventures and allowing more entities to benefit from the concessions.

FX VIEW

Overnight US markets closed marginally in the green. Crude oil remained pinned above 66.00 handle on the Brent grade. Asian markets are quoting hefty gains after news surfaced that US has asked China to keep its currency stable and not use it as a tool to counter the tariffs imposed by President Trump. Asian currencies, along with majors like Euro, GBP and CHF and even commodity linked like CAD, NZD and AUD, all are trading in the green. Offshore market is indicating a strong open for the Rupee. USDINR spot may open around 71.26/28 levels from 71.35 close on Monday.

Yesterday, GoI pushed ahead with agenda of reforms and also appeasing the voters. GOI decided to offer the private sector bigger oil and gas areas that belong to its companies Oil and Natural Gas Corporation and Oil India on relaxed conditions. Government also approved a 3 per cent hike in dearness allowance for government employees and pensioners. The current rate stands at 9 per cent. A hike in DA is not just a way to please a section of voters ahead of Lok Sabha elections but also will be somewhat positive for the trend of household consumption going forward. The cost to exchequer is expected to be between 9000 and 10000 core.

In majors, GBP rallied and is now trading around 1.3063 levels. Although the European Commission continues to say they will not accept a time limit to the backstop, investors remain hopeful that a deal will be reached or an extension requested before the March 29 deadline. Such is positive mood in GBP that is ignored another set of weak economic data. UK jobless claims increased but less than the previous month and while average weekly earnings held steady instead of rising like economists hoped, excluding bonuses. GBP can continue trade strong against INR and USD and hence we would look for buying opportunities on decline.

In Euro, German ZEW survey, fell to its lowest level since December 2014. However, Euro has gained ground on the back of talk from US President that he may extend the deadline of March 1st for imposition of fresh tariffs on China. In the coming days, traders will keep a close eye on announcements of auto tariffs from US. The US Commerce Department has presented the findings of its Section 232 investigation to President Trump, imitating a 90-day period for the President to act. If US President decides to enact tariffs on automobiles coming from the European Union and Japan, then it could be reciprocated by those countries too. In such a scenario, stocks of automakers as well as Euro, can come under selling pressure.

TECHNICAL VIEW:

USDINR lacks the momentum to assume a trend at this point. Neither inter market factors, nor the domestic situation, warrants a trend at this point. On chart too, though USDINR is holding above the primary trend line, currently placed around 70.00 on spot, but it is unable to trade above the 4th Feb high of 71.82. As a result, triangular range may be unfolding with 71.10/71.00 and 70.40/50 as the support zones and 71.50 and 71.75/85 as the resistance zone. As long as the pair holds within this zone, IVs can continue to be dragged lower by low RVs.

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



Source: Bloomberg

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