

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	71.35	-0.44%	-3.1%	9%
EUR/INR	81.68	-0.22%	-3.5%	6%
GBP/INR	91.72	-0.54%	-4.4%	6%
JPY/INR	63.36	-0.30%	-2.7%	8%
EUR/USD	1.1449	-0.04%	-0.1%	-2%
GBP/USD	1.2853	-0.01%	-0.8%	-3%
USD/JPY	112.60	0.04%	-0.2%	0%
USD/CNH	6.9391	0.08%	0.0%	4%
10 YR YIELD- IN	7.76	(0.03)	(0.16)	0.87
10 YR YIELD- USA	3.06	0.00	(0.13)	0.70
GOLD (\$/Oz)	1,222	-0.2%	0%	-4%
SILVER (\$/Oz)	14.38	-0.3%	-1%	-15%
BRENT CRUDE (\$/Brl)	66.51	-0.4%	-17%	7%
COPPER 3M (\$/Ton)	6259	0.9%	1%	-8%
NIFTY	10728	-0.33%	4.12%	4%
HANGSENG	25890	-1.83%	1.29%	-12%
S&P 500	2691	-1.66%	-2.78%	4%
INR 1M FWD	0.25	0.00	(0.06)	0.02
INR 2M FWD	0.49	(0.01)	(0.07)	0.03
INR 3M FWD	0.71	(0.00)	(0.07)	0.02
INR 6M FWD	1.46	(0.02)	(0.16)	0.02
INR 12M FWD	2.91	(0.02)	(0.24)	0.08
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	119	577	(3,176)	(5,181)
FII INVESTMENT- DEBT (\$ Mn)	148	889	(462)	(7,572)
TOTAL- (\$ Mn)	267	1,466	(3,638)	(12,753)

CURRENCY	ECONOMIC DATA
OIL	OPEC-JMMC Meetings
GBP	Inflation Report Hearings

INDIA NEWSWIRE

- The board decided to set up a panel for transfer of the RBI's surplus funds to Centre, review the prompt corrective action framework, frame a restructuring scheme for stressed MSME loans and relax a component of capital adequacy norms by one year.

WORLD NEWSWIRE

- In US the National Association of Home Builders' monthly confidence index plunged eight points to 60 in November. The many headwinds that have been dogging the industry finally showed up in this report. Labor is still expensive, lots are still scarce, lumber is at the mercy of tariff politics, and now, mortgage rates are rising and customers are holding back.

FX VIEW

The RBI board meeting quite expectedly did not yield any negative surprises. Quite sensibly both the parties, GOI and RBI decided to spend more time deliberating over the contentious issues. They have decided to set up a committee to examine the central bank's Economic Capital Framework. The members and terms of reference of the committee will be decided jointly by the RBI and the government. With the event behind us, market will focus squarely on what is happening to Dollar against other major currencies and also what is happening to crude oil. Brent crude prices are back at 66 dollars a barrel, the tough talk from OPEC about supply cuts have failed to inspire oil prices. At the same time, the sell-off in US and EM equities is hurting oil as well. For the time being there is a sheet of Teflon around Rupee and Rupee assets. Indian equity markets are almost flat today, ignored the steep sell-off in US stocks overnight and also the sharp cut across Asia. As long as the outperformance lasts it will be help the Rupee over the other currencies.

In global news, for the first time EVER, Asia-Pacific Economic Cooperation (APEC) leaders failed to agree on a communique at the end of a summit. Media is pointing to the sharp differences of opinion between US and China behind this. U.S. wanted to mention the possibility of a reform in WTO but China was opposed to it. We have argued in the past that trade war is one such issue which enjoy bipartisan support in America. At the same time, with a divided Congress, Trump may opt for trade issues as platform to launch himself into the 2020 re-election. Unlike his other crusades on emigration and budget, he may not face much of overt opposition from Congress on trade war with China. There could also be a geopolitical angle attached to the trade spat with China, which gives it added support in America. All in all, we expect the screws to tighten more in the coming years over China, which can hurt its lopsided economy.

TECHNICAL VIEW & RUPEE CROSSES:

Intermediate to short term downtrend is intact in USDINR as long as it is trading below 72.00 on spot. Support is around 71.00/71.10 and 70.70 on spot. Resistance around 71.90 and 72.00/72.10 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. GBP pairs are vulnerable to Brexit and UK politics related headlines. JPYINR having broken below 63.50, now at 63.35 is vulnerable. If JPYINR sustains below 63.50, then it can aim for 62.50/20 zone on spot.

**** CHARTS ON NEXT PAGE ****



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Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: www.kotak.com / www.kotaksecurities.com. Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. Film City Road, A K Vaidya Marg, Malad (East), Mumbai 400097. Telephone No: 42856825. SEBI Registration No: INZ000200137(Member of NSE, BSE, MSE, MCX & NCDEX), AMFI ARN 0164, PMS INP000000258 and Research Analyst INH000000586. NSDL/CDSL: IN-DP-NSDL-23-97. Compliance Officer Details: Mr. Manoj Agarwal. Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com. In case you require any clarification or have any concern, kindly write to us at below email ids:

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