

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	71.53	-0.26%	3.6%	2%
EUR/INR	79.38	-0.10%	2.6%	-1%
GBP/INR	86.97	0.44%	1.2%	-3%
JPY/INR	67.20	-0.39%	4.9%	6%
EUR/USD	1.1096	-0.04%	-1.0%	-4%
GBP/USD	1.2159	-0.09%	-2.5%	-6%
USD/JPY	106.48	0.23%	-1.3%	-4%
USD/CNH	7.06	-0.18%	2.5%	3%
10 YR YIELD- IN	6.57	(0.02)	0.21	(1.26)
10 YR YIELD- USA	1.58	0.02	(0.48)	(1.25)
GOLD (\$/Oz)	1,503	-0.3%	5%	26%
SILVER (\$/Oz)	17.07	-0.6%	4%	15%
BRENT CRUDE (\$/Brl)	60.36	0.5%	-3%	-17%
COPPER 3M (\$/Ton)	5711	-1.1%	-6%	-5%
NIFTY	11003	-0.1%	-3.6%	-4.9%
HANGSENG	26274	0.2%	-8.7%	-5.3%
S&P 500	2901	-0.8%	-2.6%	1.3%
INR 1M FWD	0.23	0.00	(0.01)	(0.03)
INR 3M FWD	0.74	0.02	0.04	(0.05)
INR 12M FWD	2.97	0.05	(0.07)	(0.02)
USDINR 1 MONTH ATM IV	7.24	0.02	2.23	0.36
USDINR 3 MONTH ATM IV	6.97	0.02	1.69	0.09
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(37)	(1,132)	(3,066)	8,273
FII INVESTMENT- DEBT (\$ Mn)	214	468	1,694	3,122
TOTAL- (\$ Mn)	177	(664)	(1,372)	11,395

CURRENCY

ECONOMIC DATA

USD

FOMC Meeting Minutes

TECHNICAL VIEW

Currency pair ==> USDINR spot

View = Intermediate trend remains UPWARD above 70.50 on spot.

Trade = We would wait for USDINR to either breakout above 71.85 on spot, to play for 72.40/50 levels or we wait for USDINR to correct lower towards 71.40 levels and show signs of bounce, before we consider fresh longs.

Currency pair ==> EURGBP spot

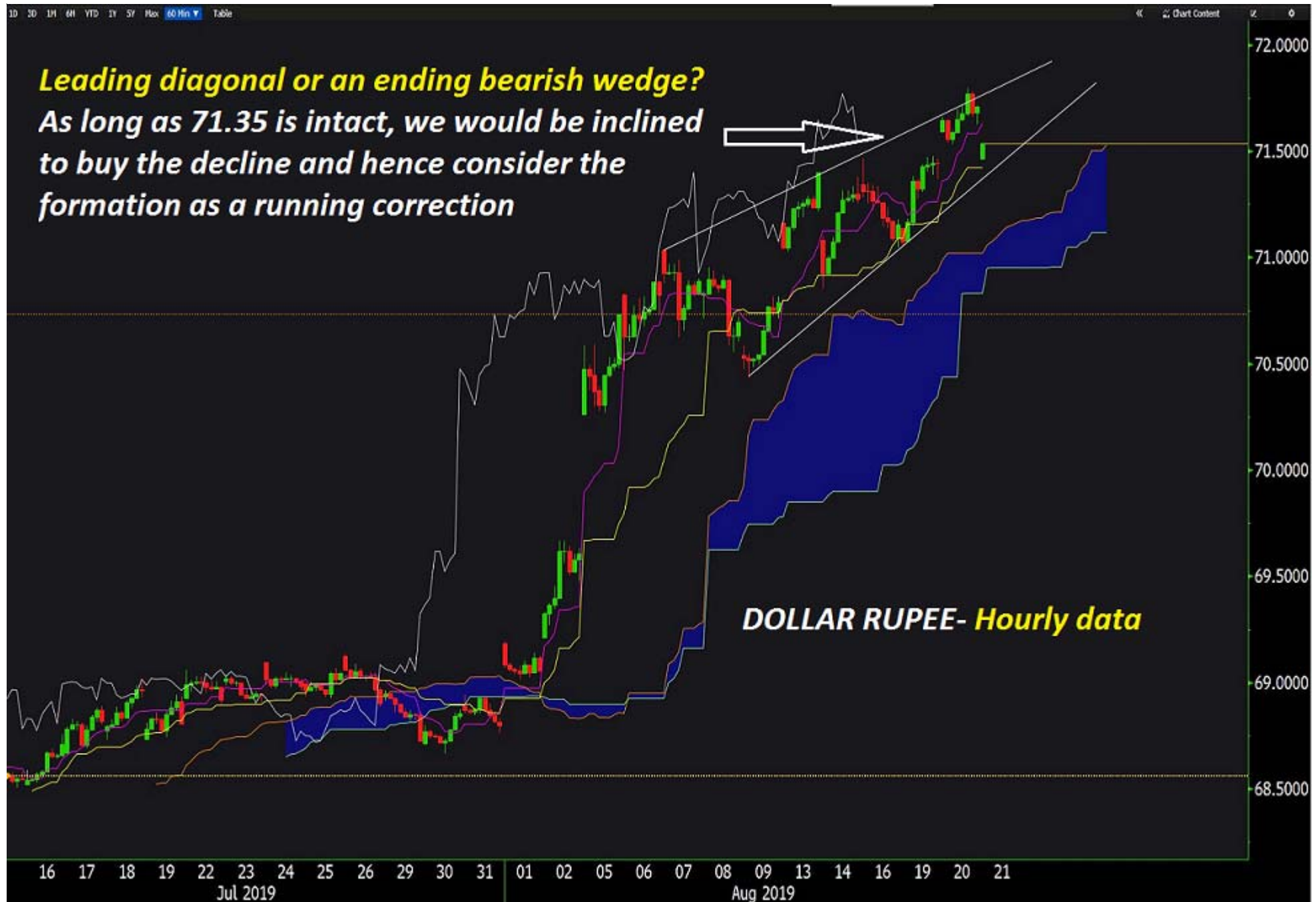
View = Intermediate trend remains bullish.

Trade = Buy between 0.9100/0.9120 TP 0.92/0.9230 SL 0.9050

MACRO VIEW

- 1) Yesterday India's frontline equity indices snapped three-day winning streak and closed lower, weighed by banking & financials, FMCG and metals stocks. USDINR rose to its highest level in last six months as Rupee slipped 28 paise against USD towards 71.71 on spot, after touching an intraday level of 71.80, which was near the peak of last February. Indian 10 year bond yields softened 3 bps at 6.59%. Bond yields have hardened quite a bit since the July lows of 6.25%. Expectation of a fiscal stimulus, though is positive for equity markets and Rupee but can be negative for bond yields, unless the extra-borrowing is done overseas.
- 2) Overnight European equity indices and US equity indices declined by nearly a percent on the back of political turmoil in Italy. Italian Prime Minister Giuseppe Conte announced he would resign from the government. It comes after Lega party leader Matteo Salvini pulled the plug on his coalition with the anti-establishment Five Star Movement.
- 3) Asian equity indices are trading in red with nearly half a percent of cut. However, SGX Nifty is suggesting a flat open. Asian currencies are gaining against the US Dollar as Chinese currency rallied against the Greenback on the back of expectation that Fed Chair will hint at more aggressive easing in his speech on Friday, at Jackson Hole.
- 4) Brent crude oil is trading above the 60 handle on the back of large drawdown in US weekly oil inventories. Gold is trading lower at 1500 levels.
- 5) USDINR is showing an indicative open around 71.50/55 levels on spot.
- 6) EUROUSD is trading higher against USD on the back of hope of dovish talk from Fed chairman. A technical bounce towards 1.1150 may occur here.
- 7) Brexit news continues to drive GBP. British Prime Minister Boris Johnson made new waves by writing to European Council President Donald Tusk on Monday to propose replacing the Irish border backstop with a commitment to put in place alternative arrangements by the end of a post-Brexit transition period. Intermediate trend remains downward for GBPUSD.
- 8) Key event to watch will be the minutes of the last FOMC meeting. A dovish stance can send the Dollar lower and majors higher.

*** CHART ON NEXT PAGE ***



Source: Bloomberg

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