

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	71.66	0.14%	3.8%	3%
EUR/INR	79.45	0.01%	2.7%	-1%
GBP/INR	86.90	0.09%	1.2%	-4%
JPY/INR	67.28	0.34%	5.1%	6%
EUR/USD	1.1086	0.01%	-1.1%	-4%
GBP/USD	1.2126	-0.03%	-2.8%	-6%
USD/JPY	106.47	-0.14%	-1.3%	-4%
USD/CNH	7.09	0.27%	2.9%	3%
10 YR YIELD- IN	6.55	(0.02)	0.13	(1.28)
10 YR YIELD- USA	1.57	(0.02)	(0.47)	(1.24)
GOLD (\$/Oz)	1,501	-0.1%	5%	26%
SILVER (\$/Oz)	17.06	-0.3%	4%	16%
BRENT CRUDE (\$/Brl)	60.21	-0.1%	-5%	-19%
COPPER 3M (\$/Ton)	5732	0.4%	-5%	-5%
NIFTY	10883	-0.3%	-4.1%	-5.9%
HANGSENG	26040	-0.9%	-8.2%	-6.8%
S&P 500	2924	0.8%	-2.0%	2.2%
INR 1M FWD	0.24	0.01	(0.00)	(0.02)
INR 3M FWD	0.73	0.02	0.03	(0.05)
INR 12M FWD	2.96	0.03	(0.08)	(0.06)
USDINR 1 MONTH ATM IV	6.97	(0.13)	1.96	0.26
USDINR 3 MONTH ATM IV	6.90	(0.04)	1.61	0.07
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(57)	(1,189)	(3,123)	8,216
FII INVESTMENT- DEBT (\$ Mn)	265	733	1,959	3,387
TOTAL (\$ Mn)	208	(456)	(1,164)	11,603

#### CURRENCY ECONOMIC DATA

EUR	Flash PMIs
EUR	ECB Minutes

#### TECHNICAL VIEW

##### Currency pair ==> USDINR spot

View = Intermediate trend remains UPWARD above 70.50 on spot.

Trade = Buy if USDINR is above 71.36 on spot, yesterday's low. However, exit short if the pair sustains below 71.36, as it can test 71.10/15 zone on spot. Key resistance remains the recent highs of 71.80, which is near the last February highs. In case of breakout above 71.85, aim for 72.40/50 on spot.

##### Currency pair ==> EURGBP spot

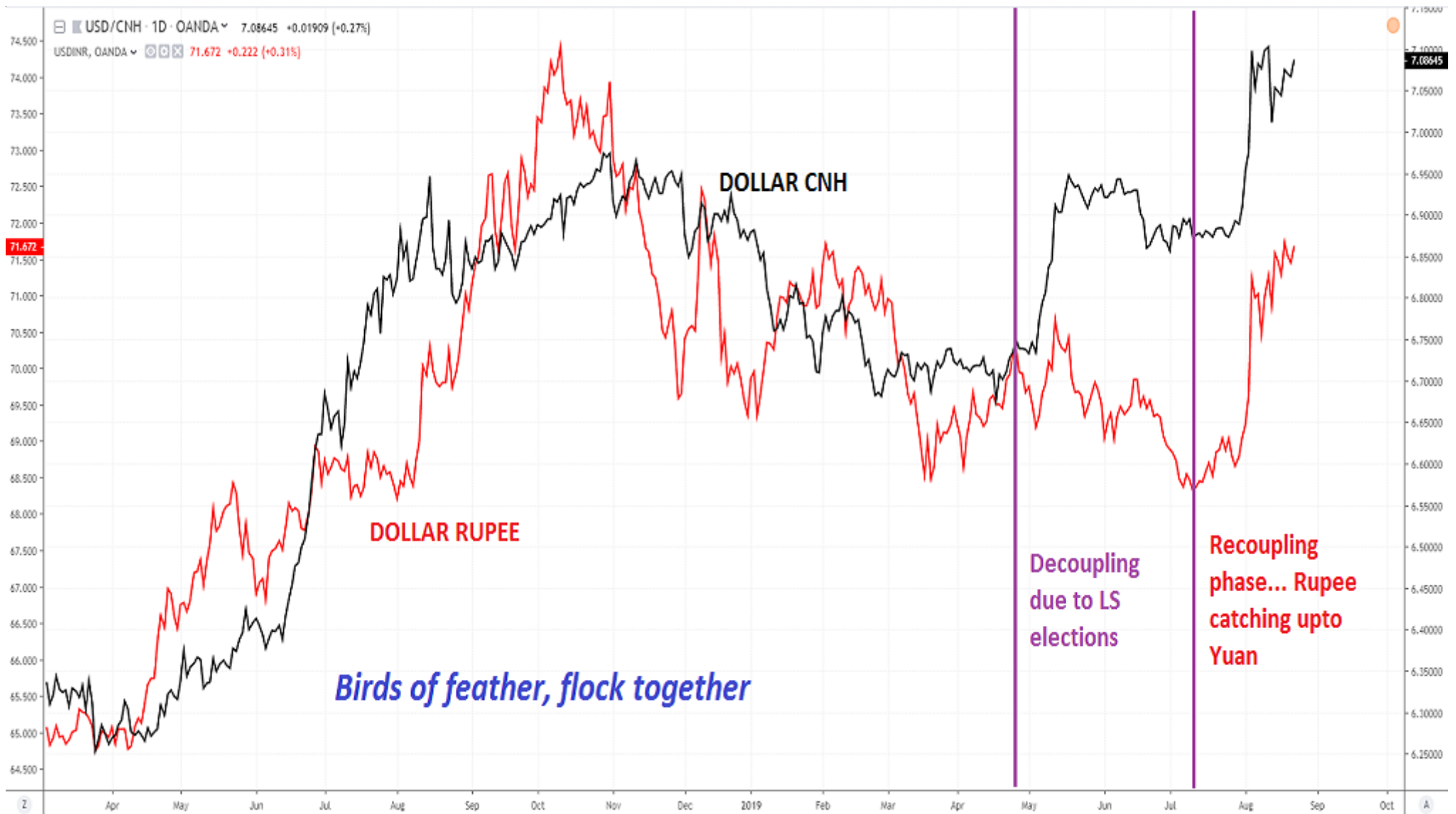
View = Intermediate trend remains bullish.

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

#### MACRO VIEW

- 1) Yesterday India's frontline equity indices declined by nearly a percent, weighed by banking & financials, FMCG and metals stocks. Selloff was quite steep in the mid cap and small cap space. In currency market, yesterday Rupee bounced back strongly against nearly all major currencies including USD. USDINR fell from 71.71 to 71.36, before closing around 71.55 on spot. Rupee yo-yoed with the movement in offshore Yuan, CNH. Exporter selling and some selling from central bank may have occurred. However, speculators remain long in the market. The widening 25 delta risk reversals point towards that..
- 2) Indian 10 year bond yields softened 2 bps at 6.57%. Minutes of RBI policy clearly indicated that central bank stands ready to ease monetary policy further to support growth. We are of the opinion that with inflation under control, RBI needs to be aggressive in monetary easing. Slowdown in consumption would discourage business investment. Slower investment and slower consumption is a cocktail which the markets have not witnessed since end 90s. Not just monetary policy, but even fiscal policy has to expand to support growth. This can strain fiscal math, as collection of direct taxes and indirect taxes are way below target. Therefore, bond yields are going to be caught between two opposing forces, monetary easing and fiscal easing at a time of weak tax buoyancy.
- 3) Overnight European equity indices and US equity indices climbed by nearly a percent. US stocks gained on the back of strong earnings from retailers. Asian equity is a mixed bag with greens and reds in equal measure. Japanese manufacturing activity shrank for a fourth straight month in August as export orders fell at a sharper pace. Poor economic continues to drag risk sentiments in Asia and EMs. Asian currencies are trading lower against the US Dollar. Dollar CNH is about to test 7.08 level once more, a negative cue for Asian currencies.
- 4) Majors mostly traded lower yesterday against the Greenback but by a thin margin. Volatility has come-off as traders await the speech from Fed Chairman at the Jackson Hole tomorrow. Fed minutes released overnight emphasised on the point which the Powell made during the last presser, that Fed has made an insurance cut and this should not be seen as a start of a series of rate cuts. In a way, the Fed minutes were hawkish. However, Fed fund futures market is betting on two more rate cuts before end of 2019. If Fed continues to dampen those expectation, then Dollar can rally.
- 5) Key economic data to watch today remains the ECB minutes and the Eurozone flash PMIs for the month of August. A weak data from Eurozone can be negative for Euro as it will increase odds of a rate cut in the upcoming meeting.

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



Source: TradingView

## Disclaimer/Disclosures

---

Kotak Securities Limited established in 1994, is a subsidiary of Kotak Mahindra Bank Limited. Kotak Securities is one of India's largest brokerage and distribution house. Kotak Securities Limited is a corporate trading and clearing member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSE), National Commodity and Derivatives Exchange (NCDEX) and Multi Commodity Exchange(MCX).Our businesses include stock broking, services rendered in connection with distribution of primary market issues and financial products like mutual funds and fixed deposits, depository services and Portfolio Management.

Kotak Securities Limited is also a depository participant with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Kotak Securities Limited is also registered with Insurance Regulatory and Development Authority as Corporate Agent for Kotak Mahindra Old Mutual Life Insurance Limited and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI). We are registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advise/warning/deficiency letters or levied minor penalty on KSL for certain operational deviations. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time. We offer our research services to clients as well as our prospects.

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions. This material is for the personal information of the authorized recipient, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of Kotak Securities Ltd. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed. Neither Kotak Securities Limited, nor any person connected with it, accepts any liability arising from the use of this document. The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavour to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

Kotak Securities Limited has two independent equity research groups: Institutional Equities and Private Client Group. This report has been prepared by the Private Client Group. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Equities Research Group of Kotak Securities Limited. We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed if any or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Kotak Securities Limited (KSL) may have proprietary long/short position in the above mentioned scrip(s) and therefore may should be considered as interested. The views provided herein are general in nature and does not consider risk appetite or investment objective of particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with KSL. Kotak Securities Limited is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies if any and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

## Disclaimer/Disclosures

---

No part of this material may be duplicated in any form and/or redistributed without Kotak Securities' prior written consent. Details of Associates are available on our website ie [www.kotak.com](http://www.kotak.com) Research Analyst has served as an officer, director or employee of Subject Company: NA

We or our associates may have received compensation from the subject company, if any in the past 12 months.

We or our associates may have managed or co-managed public offering of securities for the subject company(ies) in the past 12 months: NA

We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company, if any in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company, if any in the past 12 months. We or our associates have not received any compensation or other benefits from the Subject Company if any or third party in connection with the research report. Our associates may have financial interest in the subject company if any.

Research Analyst or his/her relative's financial interest in the subject company(ies) : NA

Kotak Securities Limited has financial interest in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report : NA

Our associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Research Analyst or his/her relatives has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report: NA

Kotak Securities Limited has actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report: NA

Subject Company, if any may have been client during twelve months preceding the date of distribution of the research report.

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](http://www.kotak.com) / [www.kotaksecurities.com](http://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). Member Id: NSE-08081; BSE-673; MSE-1024; MCX-56285; NCDEX-1262. 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](mailto:ks.compliance@kotak.com). Investments in securities market are subject to market risks, read all the related documents carefully before investing.

In case you require any clarification or have any concern, kindly write to us at below email ids:

- o Level 1: For Trading related queries, contact our customer service at '[service.securities@kotak.com](mailto:service.securities@kotak.com)' and for demat account related queries contact us at [ks.demat@kotak.com](mailto:ks.demat@kotak.com) or call us on: Toll free numbers 18002099191 / 1860 266 9191
- o Level 2: If you do not receive a satisfactory response at Level 1 within 3 working days, you may write to us at [ks.escalation@kotak.com](mailto:ks.escalation@kotak.com) or call us on 022-42858445 and if you feel you are still unheard, write to our customer service HOD at [ks.servicehead@kotak.com](mailto:ks.servicehead@kotak.com) or call us on 022-42858208.
- o Level 3: If you still have not received a satisfactory response at Level 2 within 3 working days, you may contact our Compliance Officer (Name: Mr. Manoj Agarwal) at [ks.compliance@kotak.com](mailto:ks.compliance@kotak.com) or call on 91- (022) 4285 8484.
- o Level 4 : If you have not received a satisfactory response at Level 3 within 7 working days, you may also approach Managing Director / CEO (Mr. Jaideep Hansraj) at [ceo.ks@kotak.com](mailto:ceo.ks@kotak.com) or call on 91-(022) 4285 8301.