

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR
USD/INR	71.03	-0.06%	1.2%	11%
EUR/INR	80.41	-0.19%	0.6%	2%
GBP/INR	93.19	0.67%	4.6%	3%
JPY/INR	64.67	-0.40%	1.7%	10%
EUR/USD	1.1322	0.16%	-0.6%	-9%
GBP/USD	1.3119	0.41%	3.5%	-7%
USD/JPY	109.84	0.18%	-0.4%	0%
USD/CNH	6.7806	-0.21%	-1.7%	7%
10 YR YIELD- IN	7.36	0.05	0.07	0.05
10 YR YIELD- USA	2.73	0.01	(0.01)	0.11
GOLD (\$/Oz)	1,282	0.1%	1%	-5%
SILVER (\$/Oz)	15.34	0.2%	4%	-11%
BRENT CRUDE (\$/Brl)	61.86	1.3%	23%	-12%
COPPER 3M (\$/Ton)	5922	-0.5%	-1%	-17%
NIFTY	10924	0.68%	2.44%	-1%
HANGSENG	27504	1.41%	7.22%	-16%
S&P 500	2642	0.14%	12.39%	-7%
INR 1M FWD	0.25	0.00	(0.00)	0.02
INR 2M FWD	0.47	0.00	(0.01)	0.03
INR 3M FWD	0.75	0.01	0.05	0.03
INR 6M FWD	1.47	0.00	0.02	0.03
INR 12M FWD	2.88	(0.05)	0.10	0.11
	1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(150)	(523)	(523)	(523)
FII INVESTMENT- DEBT (\$ Mn)	(38)	(394)	(394)	(394)
TOTAL- (\$ Mn)	(187)	(917)	(917)	(917)

CURRENCY	ECONOMIC DATA
EUR	German Ifo Business Climate

WORLD NEWSWIRE

1. A pair of measures to reopen the government — one with President Trump's border wall, the other without it — failed in the Senate on Thursday, sending lawmakers from both parties into frenzied efforts to forge a compromise that could end the nearly six-week partial shutdown.

FX VIEW

Overnight US markets closed in the green, after a see-saw trading. Market sank on comments from US Secretary of Commerce Wilbur Ross, who said that China and the US are "miles and miles" apart on trade negotiations and doesn't expect a deal to come together next week. However, the market recovered into the close, as Larry Kudlow, economic adviser to Mr. Trump hinted that US economy may have added significant number of jobs in January. Data is still a week away from scheduled release but traders were happy to trade ahead of the release.

Asian equity markets too are following on, with many indices quoting gains of close to 1% and Asian currencies are trading strong. CNY/CNH is leading the charge, ignoring the trade rhetoric. Oil prices are inching towards 62 on Brent. A Dollar Rupee could open lower, around 71 on spot. For the past couple of days Rupee has seen some strength, otherwise it has had a terrible month in January. Going into the Budget, USDINR may continue to remain choppy. For the past few days, we adopted a tactic of buying the opening weakness, we would continue to employ the same, with stops below 70.80 on spot reference basis.

In majors, EURUSD fell back Thursday after European Central Bank President Mario Draghi said incoming economic data have been weaker than expected and that risk has moved to the downside. Draghi said persistent uncertainty is weighing on sentiment and that significant monetary stimulus is still needed. Near-term data are likely to be weaker than previously anticipated, he added, while underlying inflation is muted. Draghi added that they need to see the monetary case for another round of stimulus like a TLTRO.

Earlier, the ECB's rate-setting Governing Council left all its key interest rates unchanged, as expected: its refinancing rate at zero, its deposit rate at -0.40% and the rate on its marginal lending facility at 0.25%.

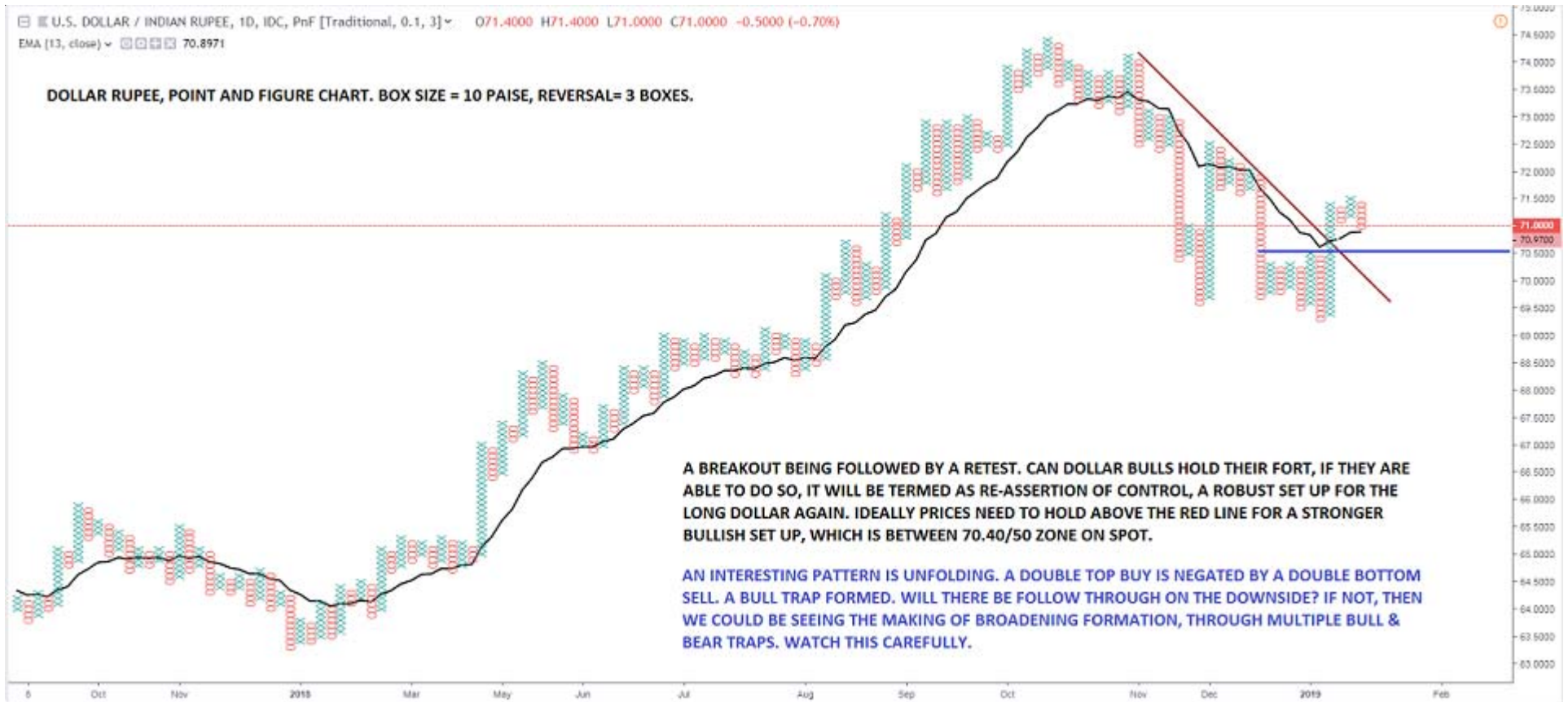
Before the ECB meeting, in its latest report, IHS Markit, which calculates the PMI data, said that Euro area business growth came close to stalling at a 5½ year low in January. EuroUSD succumbed to the barrage of negative news flow.

The British Pound spiked higher after rumours that the DUP may support Theresa May's new Brexit deal. The DUP is crucial in backing the UK Prime Minister. Last week, a lack of support from the DUP led to a historical defeat for Mrs. May in Parliament when her exit deal was rejected. However, DUP may have also spelled out that their support is contingent upon May's party backing her deal first.

TECHNICAL VIEW:

Tactical bias remains long on dips in USDINR as long as the pair holds above 70.80 on spot. Resistance around 71.40 and 71.50/55 on spot. Nevertheless, if it breaks down below 70.80, then it can test 60 and even 70.40 levels. GBPUSD faces strong resistance around 1.3125/30 levels. Hence, wait for a pullback towards 1.2960/90 zone before attempting longs. EURUSD, bias is downward and hence would advise selling on rise below 1.1400

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



Source: Bloomberg

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