

INSTRUMENT	LAST PRICE	1 DAY	1 MONTH	1 YEAR	
USD/INR	71.86	-0.23%	4.4%	2%	
EUR/INR	79.78	-0.35%	4.2%	-2%	
GBP/INR	87.76	-0.44%	3.6%	-3%	
JPY/INR	67.98	0.19%	6.9%	7%	
EUR/USD	1.1101	-0.01%	-0.4%	-5%	
GBP/USD	1.2214	-0.02%	0.0%	-5%	
USD/JPY	105.69	-0.41%	-2.9%	-5%	
USD/CNH	7.17	0.07%	3.9%	5%	
10 YR YIELD- IN	6.43	(0.05)	(0.09)	(1.46)	
10 YR YIELD- USA	1.52	(0.01)	(0.55)	(1.32)	
GOLD (\$/Oz)	1,528	0.1%	7%	26%	
SILVER (\$/Oz)	17.67	0.0%	7%	19%	
BRENT CRUDE (\$/Brl)	59.00	0.5%	-7%	-23%	
COPPER 3M (\$/Ton)	5633	-0.9%	-6%	-6%	
NIFTY	11099	0.4%	-1.6%	-5.1%	
HANGSENG	25707	0.1%	-9.5%	-9.1%	
S&P 500	2878	1.1%	-4.9%	-0.6%	
INR 1M FWD	0.25	(0.01)	0.04	(0.01)	
INR 3M FWD	0.76	(0.02)	0.08	(0.01)	
INR 12M FWD	3.00	(0.01)	(0.01)	(0.04)	
USDINR 1 MONTH ATM IV	7.32	(0.17)	2.50	0.74	
USDINR 3 MONTH ATM IV	7.12	(0.07)	1.92	0.44	
		1 DAY	MTD	QTD	CTD
FII INVESTMENT- EQ (\$ Mn)	(255)	(1,770)	(3,704)	7,635	
FII INVESTMENT- DEBT (\$ Mn)	(163)	989	2,215	3,643	
TOTAL- (\$ Mn)	(418)	(781)	(1,489)	11,278	

CURRENCY	ECONOMIC DATA
USD	CB Consumer Confidence

TECHNICAL VIEW

Currency pair ==>> USDINR spot

View = Intermediate trend remains UPWARD above 70.50 on spot.

Trade = Buy on dips with stop below Friday's low of 71.57. Target remains 72.40/50 on spot. However, below 71.57, the pair test 71.40/30 zone on spot.

Currency pair ==>> EURGBP spot

View = Intermediate trend remains bullish. The pair has bounced from a key trendline support.

Trade = Buy between 0.9040/60 TP 0.9150/0.9250 SL 0.8990

MACRO VIEW

- 1) Yesterday, Nifty and Sensex, both gained over 2%, thanks to the slew of announcements by FM on Friday and also the possible truce in the Sino-US trade war. Buying was broad based with mid cap and small cap stocks also participating in the rally. Indian Rupee too recouped half its intra-day losses against the Dollar to close at 72.02, after touching a low of 72.25 on spot, lowest level since December of last year. Indian 10 year GOISec rallied sharply on the back of reduced risk of fiscal stimulus. Bond yields closed 9 bps lower at 6.48%.
- 2) After FM delivered the boost on Friday, now it's the turn of RBI to provide another boost to sentiments. Based on the Jalan Committee's recommendation, the RBI will transfer 52.6K crore rupees as per the revised ECF. This is in addition to the surplus transfer of 1.23 lakh crores (including 28K crore rupees of interim dividend for FY2019) in FY2020. The government will gain around 58K crore from the RBI compared to FY2020 budget estimates. This will help to some extent in bridging the revenue shortfall by way of lower GST collections and also shortfall in direct tax collection. The impact on rupee liquidity from this move is unknown. However, it is sentimentally positive for the bond market and as a result, today as well Indian bond yields can fall further.
- 3) Overnight US stocks gained by more than a percent, thanks to comments from the US President at the outset of the G7 meeting in France that Chinese officials have called US trade representatives and they want to get back in the negotiating table. Though China denies making such calls but markets took the news as a step towards a possible truce between the two nations. The risk on lift up in prices were across the board, except for the bond yields. US bond yield curve continued to remain inverted with 10 year at 1.52%, way below the 3-month yield of 1.99% and 2 year of 1.55%.
- 4) Economic data from US was a mixed bag with the headline durable goods orders for July beating estimate but core orders showing weakness. However, unlike other days, durable goods order data was brushed aside as trade war dominated headlines. However, weak German IFO weighed on Euro. IFO business climate index fell to its lowest level since 2009. According to IFO institute, businesses are growing more concerned about a recession in Germany. First it was the manufacturing sector which weakened, now the services too is catching up.
- 6) Eurozone and Japan may have relieved after comments from US President indicated that US may not look at slapping tariffs on auto imports from the two nations. However, in UK Brexit uncertainties continue and that is weighing on GBP. As a result, we would be more inclined to buy Euro against GBP.

*** CHART ON NEXT PAGE ***

Nifty 50 Index - 1W - NSE 08605.10 HB626.95 L8504.65 C8538.30 -49.95 (-0.58%)

EMA (110, close)

Ichimoku (9, 26, 52, 26) 8175.40 8024.55 8114.70 6939.31 6355.78

NIFTY 50 INDEX - WEEKLY



broke in the 5th attempt

Primary trendline is given way to lower prices on Nifty. A bearish development. However, an interim support around the Cloud is holding still. Now the game is going to be, whether bulls can make the Nifty close above 11400, thereby taking it back above the TL and also key averages OR will bears hammer Nifty below the Cloud and opening up 10K in the process?

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